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SOCIAL SECURITY IN REVIEW

A NATIONAL system for clearance of employers' labor needs and for interstate transfer of workers in occupations essential to defense industries was put into operation during October by the United States Employment Service. Arrangements for interstate clearance which have been maintained cooperatively by State employment services will continue to function but will be supplemented by a network of 13 regional clearance offices operated directly by the Federal agency. Requests for defense workers which cannot be filled by the local employment offices within a State will be referred to one of these regional clearance offices. The new system is designed to facilitate interstate transfer of workers to defense jobs, when such transfer is necessary, without depleting labor forces needed in any locality. It will also serve to minimize unplanned and unnecessary movement of workers from one area to another following rumors of jobs. Clearance offices will not themselves accept applications for employment or engage in placement activities.

The areas served by the regional clearance offices are identical with those comprising the 12 Social Security Board regions, except that the States comprising the Board's Regions XI and XII are divided into 3 regions for clearance purposes, with a new regional clearance office in Seattle serving Idaho, Montana, Oregon, and Washington.

Operation of the new clearance services will be facilitated by the availability of current data on labor-market conditions which the Bureau of Employment Security obtains in regular monthly reports received from State employment services. These reports provide information for a selected list of occupations on the number and types of workers in each area available for employment in defense industries, and on employers' current labor needs and anticipated requirements for the next 60 days. Beginning in October, the Bureau of Employment Security instituted a new type of

reporting service providing current information on significant labor-market developments in the various States, including the adequacy of the supply of qualified workers in the local labor market, changes in expected demand and supply, changes in hiring practice, the status of the employment service program in meeting requirements, and other information concerning employment conditions.

The first of the reports, covering the month of September, indicate a general tightening of the labor market during that month. No general shortage of labor was revealed, except in a few highly skilled occupations, although many States reported increasing difficulty in meeting demands for skilled workers. Many local offices reported that they have standing orders for highly skilled workers in certain specialized fields. Students in vocational training courses in some localities are being drawn into industry before completing their courses, according to reports from several States. Other States, however, report that modifications will have to be made before maximum value can be derived from the training courses.

In general, the substantial excess of workers over job opportunities that has characterized the last decade seems to be diminishing rapidly. Immediate need exists in most areas for highly skilled machinists and tool and die workers, and there are shortages of loftsmen and shipfitters in shipbuilding areas. Instances of modification of certain types of employer requirements, such as relaxation of age limits or skill requirements, have been reported by nearly all industrial States. There appears to be no shortage of unskilled workers, but some tightening in the market for such workers is evident. Labor relations throughout the country were reported as generally amicable. Although minor disputes exist, no State reported any stoppage of significant proportions.

Unemployment benefit claims and payments declined during September to the lowest levels since

December 1939. The number of continued claims received declined to fewer than 4.3 million, 28 percent below the number received in August. Benefit payments for September amounted to less than \$36.6 million, 29 percent below the August total. Payments for September represented compensation for 3.6 million weeks of unemployment, 28 percent less than in August.

Placement activities also were affected by the seasonal increases in employment and expanding activity in defense and related industries which contributed to the reductions in claims and benefits. More than 305,000 private placements were completed during September, nearly 9 percent more than in August. In addition, some 47,000 public placements and 275,000 supplemental placements were reported for the month. The number of applications for employment received in public employment offices declined 5.2 percent from the number for August, to a total of 1.2 million. The active file of persons registered as in search of employment was reduced by 5.7 percent to a total of 4.9 million as of September 30.

TOTAL PUBLIC ASSISTANCE payments and Federal work-program earnings in the continental United States for September amounted to approximately \$249.9 million, about 2.8 percent below the total for the preceding month and 3.2 percent below the amount for September 1939. General relief payments for the month declined by 3.2 percent to \$28.5 million, the smallest monthly total for this type of aid since June 1937. Reductions also were reported in payments to recipients of aid to the blind, subsistence payments certified by the Farm Security Administration, earnings of persons enrolled in the Civilian Conservation Corps, and earnings of persons employed on programs of the Work Projects Administration. Payments to recipients of old-age assistance, aid to dependent children, and aid to the blind together amounted to more than \$53.1 million, about 21 percent of the combined total of all public assistance payments and work-program earnings.

It was estimated that some 15.2 million persons in 5.4 million different households were aided during September under one or more of the several public assistance and Federal work programs, as compared with 15.5 million persons in 5.4 million households during the preceding month.

A PLAN FOR aid to dependent children submitted by South Dakota was approved by the Social Security Board on October 11. It was indicated that Federal funds for the new program would be made available to the State for payments in October. State officials, however, announced that first payments under the plan will be made in November. The inauguration of this plan increases to 43 the number of jurisdictions with approved plans in operation for aid to dependent children, and increases to 40 the number with approved plans for all three of the special types of public assistance in operation with the aid of Federal funds under the Social Security Act.

SUMMARY data based on quarterly employer reports under the old-age and survivors insurance program, showing the number of employers, number of workers, and amount of wages subject to the Federal Insurance Contributions Act, are presented for the first time in this issue of the Bulletin. These data, which are subject to a number of limitations described in the text of the Old-Age and Survivors Insurance section, will be published every third month hereafter.

IN AN ADDRESS dedicating the new buildings of the National Institute of Health at Bethesda, Maryland, on October 31, President Roosevelt called attention to the importance of the Nation's health needs in relation to national defense. "We cannot be a strong Nation," the President declared, "unless we are a healthy Nation. . . . We have recognized the strategic importance of health by the creation of a health and medical committee in the Council of National Defense whose job it is to coordinate the health and medical aspects of national preparedness." In reviewing the progress that has been made in meeting health needs, the President referred particularly to the results achieved under the public-health provisions of the Social Security Act, pointing out that under these provisions ". . . Federal, State, and local health and medicine are cooperating more broadly than ever before." "Although we still have much to do," the President declared, "the Nation today is better prepared to meet the public-health problems of our emergency than at any previous time in the history of the country."

ADEQUACY OF UNEMPLOYMENT BENEFITS IN THE DETROIT AREA DURING THE 1938 RECESSION

DANIEL CREAMER AND ARTHUR C. WELLMAN *

THE INAUGURATION OF unemployment benefit payments in Michigan in July 1938 coincided with the trough of a short but severe recession. A previous article¹ indicated that during the first benefit year in Michigan, nearly half of the benefit recipients exhausted their benefit rights.² This fact was taken as presumptive evidence that the duration of benefits under those circumstances was inadequate. It is helpful, however, to test the presumption. If most beneficiaries who exhaust benefit rights are reemployed within a short time after the receipt of their last benefit payment, the failure of unemployment benefits to compensate all unemployment may not be too serious. The situation is serious, however, from the standpoint of beneficiaries and of the community, if workers remain unemployed for weeks or months after they have exhausted their rights to benefits.

For this reason an attempt was made to determine the reemployment experience of beneficiaries who exhausted benefit rights and to ascertain how many of them were obliged to obtain unemployment relief, i. e., general relief and/or employment on Federal work projects. The experience of beneficiaries in the Detroit area (Wayne County) during the benefit year ended June 30, 1939, was selected for analysis. These beneficiaries constituted more than one-half of all benefit recipients in Michigan during that first benefit year, and their benefit rights did not differ significantly from those that accrued to the total group. The analysis is based on a 10-percent random sample of beneficiaries who filed a first compensable claim in July, August, or

September 1938 and whose last claim was filed in Wayne County.³

This sample included nearly 15,000 beneficiaries. Of this number, 6,941, or 46.5 percent of the total, exhausted their benefit rights. About 73 percent of the latter had exhausted their benefits by December 31, 1938, 6 months before the end of the benefit year. Expressed as a weighted average, the potential duration of uncompensated unemployment within the benefit year, for beneficiaries who exhausted their benefit rights, was 6 months.

The reemployment experience of workers who had exhausted benefits was investigated first by analyzing the wage reports submitted quarterly to the Michigan Unemployment Compensation Commission by employers of eight or more workers.⁴ These quarterly wage reports do not include self-employment, employment in excluded industries such as agriculture and domestic service, or covered employment in establishments with less than eight employees. Nor do they include any record of earnings in any other State.

Some of the gaps in the wage reports made under the State unemployment compensation law were partially overcome by use of the wage records of the Bureau of Old-Age and Survivors Insurance of the Social Security Board for beneficiaries for whom no earnings had been reported to the Michigan agency and for whom there was no record of relief after the exhaustion of benefits. The wage records of the Bureau are based on wages from covered employment in any State without regard to the size of establishment or the State in which the employer is located, and hence afforded a more inclusive record of wages in covered employment than did the reports under the Michigan unemployment compensation law.

¹ The benefit ledgers of all beneficiaries in the State who filed first compensable claims in the third quarter of 1938 were arranged by social security account number. From these ledgers every tenth ledger of beneficiaries filing the last compensable claim in a Wayne County office was withdrawn for the sample.

² Employment with employers of eight or more is termed "subject" employment. Employment under the old-age and survivors insurance program is "covered" employment. The latter term is also used in general to include both types of employment.

*This article summarizes the major findings of a study made by the Bureau of Employment Security, Research and Statistics Division, of which Mr. Creamer was a member, in cooperation with the Michigan Unemployment Compensation Commission, Research, Statistics, and Planning Section, of which Mr. Wellman is a member. The complete report is to be published by the Bureau of Employment Security as Employment Security Memorandum No. 14.

¹ Stanchfield, Paul L., "The Adequacy of Benefit Duration in Michigan, 1938-39: A Survey of Experience in a Minor Depression," *Social Security Bulletin*, Vol. 3, No. 9 (September 1940), pp. 19-28.

² Under the Michigan unemployment compensation law, benefit years end 4 times a year at the end of each calendar quarter. The first benefit year ended on June 30, 1939, and included all claimants who first filed a compensable claim in July, August, or September 1938.

Table 1.—Number of beneficiaries exhausting benefits in Wayne County¹ and percentage distribution according to quarter of reemployment,² by sex and by quarter of exhaustion

Sex and quarter of exhaustion	Number of beneficiaries exhausting benefits	Percentage distribution by quarter of reemployment ² following quarter of exhaustion					
		Total	None	Same quarter	First quarter	Second quarter	Third quarter
All beneficiaries.....	6,720	100.0	33.6	33.9	17.3	8.4	6.8
Fourth quarter 1938.....	4,835	100.0	37.8	28.4	15.4	8.9	9.4
First quarter 1939.....	977	100.0	26.0	44.6	15.6	13.8	
Second quarter 1939.....	908	100.0	19.3	52.0	28.7		
Men, total.....	5,404	100.0	30.8	35.2	17.8	8.9	7.3
Fourth quarter 1938.....	3,898	100.0	34.5	29.8	16.2	9.3	10.2
First quarter 1939.....	774	100.0	24.5	43.2	17.1	15.2	
Second quarter 1939.....	732	100.0	18.2	54.6	27.2		
Women, total.....	1,316	100.0	44.9	29.1	14.9	6.6	4.5
Fourth quarter 1938.....	937	100.0	51.8	22.3	12.1	7.5	6.3
First quarter 1939.....	203	100.0	31.5	50.2	9.9	8.4	
Second quarter 1939.....	176	100.0	23.9	40.9	35.2		

¹ Based on 10-percent sample selected at random from approximately 150,000 beneficiaries of unemployment compensation in Wayne County, Mich., whose benefit year ended June 30, 1939. Of the 6,941 who exhausted benefit rights, wage files of 221 were in use at time of survey.

² Calendar quarter in which earnings were at least \$50 was considered quarter of reemployment.

It was not possible to determine the extent to which beneficiaries might have obtained reemployment in noncovered industries. It would seem, however, that this gap is not of importance for benefit recipients in a highly industrialized area such as Detroit—and they were all resident in that area when they filed their last claim for benefits.

The wage records furnish no more precise time unit than the calendar quarter, since the employer is required to report only the aggregate quarterly earnings paid each covered worker. In the study, reemployment is defined as quarterly earnings of at least \$50 in any one calendar quarter beginning with the quarter in which exhaustion of benefits occurred. While this definition is arbitrary, it has some relation to the provision of the Michigan Unemployment Compensation Act which requires, as qualification for

benefits, earnings of at least \$50 in each of 2 of the 4 quarters in the base period, with minimum aggregate base-period earnings of \$200.

The analysis of the wage records of the Michigan unemployment compensation agency was undertaken in February 1940, at which time the files contained reports for the 4 quarters which began October 1, 1938, and ended September 30, 1939.³ In appraising these reemployment data, it should be remembered that the trough of the decline in employment in Michigan occurred in July 1938, and the subsequent increase in employment continued throughout the remainder of 1938 and all of 1939 without interruption. This rise in general employment should mean, therefore, that the

³ The base period for initial claims filed in the first quarter of 1940. At the time of the analysis, the wage files of 221 of the beneficiaries with exhausted benefits in the 10-percent sample were in use. In terms of personal characteristics of the beneficiaries, the withdrawal of these records seems to have been random.

Table 2.—Number of beneficiaries exhausting benefits in Wayne County¹ and percentage distribution according to number of quarters reemployed,² by sex and by quarter of exhaustion

Sex and quarter of exhaustion	Number of beneficiaries exhausting benefits	Percentage distribution by number of quarters reemployed						Percent re-employed in all possible quarters
		Total	None	1	2	3	4	
All beneficiaries.....	6,720	100.0	33.6	20.5	20.5	14.0	11.4	19.7
Fourth quarter 1938.....	4,835	100.0	37.8	16.0	14.7	15.7	15.8	15.8
First quarter 1939.....	977	100.0	26.0	25.6	29.5	18.9		18.9
Second quarter 1939.....	908	100.0	19.3	39.3	41.4			41.4
Men, total.....	5,404	100.0	30.8	20.6	20.8	15.0	12.8	21.8
Fourth quarter 1938.....	3,898	100.0	34.5	16.2	15.0	16.6	17.7	17.7
First quarter 1939.....	774	100.0	24.5	26.0	28.0	21.5		21.5
Second quarter 1939.....	732	100.0	18.2	38.5	43.3			43.3
Women, total.....	1,316	100.0	44.9	20.3	19.5	9.9	5.4	11.3
Fourth quarter 1938.....	937	100.0	51.8	15.2	13.6	11.9	7.5	7.5
First quarter 1939.....	203	100.0	31.5	24.1	35.0	9.4		9.4
Second quarter 1939.....	176	100.0	23.9	42.6	33.5			33.5

¹ See table 1, footnote 1.

² See table 1, footnote 2.

later the exhaustion of benefits occurred in the benefit year the better were the chances of reemployment. Within these terms, then, it is possible to inquire how many beneficiaries obtained reemployment and how closely reemployment followed exhaustion of benefits. It is also possible to estimate the duration of uncompensated unemployment.

Extent of Reemployment

Quarter of Reemployment

One-third of the beneficiaries in the 10-percent sample were reemployed, after the exhaustion of benefits, in the same calendar quarter in which they exhausted their benefit rights (table 1). By September 30, 1939 (i. e., as many as 3 calendar quarters following exhaustion of benefits for 72 percent of the sample) two-thirds of the beneficiaries had found reemployment. One-third, however, failed to earn as much as \$50 in covered employment, in Michigan or elsewhere, in any one quarter in the period surveyed, beginning with the quarter of exhaustion. Nearly one-fourth of the beneficiaries had no recorded earnings.⁶

That the survey period (October 1, 1938–September 30, 1939) coincided with a period of increasing employment opportunities is partially reflected in the fact that the immediacy and extent

of reemployment varies with respect to the different quarters of exhaustion. Thus, of the beneficiaries who had drawn all their benefits in the fourth quarter of 1938 only 28 percent were reemployed in the same quarter; the corresponding percentages were 45 and 52, respectively, for those who exhausted benefits in the first and second quarters of 1939. Furthermore, of the beneficiaries who exhausted benefit rights in the fourth quarter of 1938, 38 percent did not succeed in obtaining reemployment, despite the longer period they had in which to find employment. Comparable percentages for those initiating post-exhaustion periods in the first and second quarters of 1939 were 26 and 19, respectively. There were some differences in the reemployment experience of the men and women. Relatively more women failed to become reemployed than was the case with men, irrespective of the quarter of exhaustion. For those reemployed in the survey period, however, the speed with which jobs were found was about the same for both men and women.

Reemployment Measured by Earnings

In view of the more or less arbitrary definition of reemployment adopted—i. e., quarterly earnings of at least \$50—it is pertinent, within the limitations of the data, to inquire into the duration of the reemployment, as reflected by the quarterly distribution of earnings as well as by the total amount of the earnings. In how many quarters, for example, did beneficiaries have quarterly earnings of at least \$50 (table 2)?

Table 3.—Number of beneficiaries exhausting benefits in Wayne County ¹ and percentage distribution according to amount of post-exhaustion earnings, by sex and by quarter of exhaustion

Sex and quarter of exhaustion	Number of beneficiaries exhausting benefits	Percentage distribution by amount of post-exhaustion earnings											
		Total	None	\$1-49	\$50-99	\$100-199	\$200-299	\$300-399	\$400-499	\$500-749	\$750-999	\$1,000-1,499	\$1,500 and over
All beneficiaries.....	6,720	100.0	23.6	8.4	6.9	10.5	9.1	7.1	5.6	9.9	7.5	9.8	1.6
Fourth quarter 1938.....	4,835	100.0	27.3	9.0	6.2	7.4	6.8	5.5	4.8	9.6	8.9	12.6	1.9
First quarter 1939.....	977	100.0	16.9	7.4	9.7	12.9	12.6	10.8	5.8	11.7	6.3	4.5	1.4
Second quarter 1939.....	908	100.0	11.3	6.5	8.0	24.2	17.7	12.1	9.1	9.5	1.3	.3	
Men, total.....	5,404	100.0	21.4	8.1	6.6	9.5	8.5	7.1	5.6	10.9	8.5	11.9	1.9
Fourth quarter 1938.....	3,898	100.0	24.4	8.7	5.7	6.7	6.6	5.5	4.6	10.4	9.8	15.3	2.3
First quarter 1939.....	774	100.0	15.9	7.2	8.9	11.7	10.4	11.0	6.3	13.3	8.0	5.6	1.7
Second quarter 1939.....	732	100.0	11.2	5.7	7.1	22.2	17.3	12.4	10.4	11.5	1.6	.6	
Women, total.....	1,316	100.0	32.7	9.8	8.6	14.6	11.5	7.2	5.3	5.5	3.6	.8	.4
Fourth quarter 1938.....	937	100.0	39.1	10.2	7.0	10.8	8.1	5.8	5.8	6.3	5.0	1.2	.7
First quarter 1939.....	203	100.0	21.2	7.9	12.8	17.3	21.1	10.3	3.4	5.5			.5
Second quarter 1939.....	176	100.0	11.9	9.6	11.9	32.0	18.7	10.8	4.0	1.1			

¹ See table 1, footnote 1.

Of the men who had exhausted benefits in the last quarter of 1938, only 17.7 percent were employed in each of the 4 quarters comprising the survey period. A similar proportion were employed in each of 1 to 3 quarters. More than 21 percent of the men who claimed their last benefit in the first quarter of 1939 were employed in each of the subsequent 3 quarters, while more than 25 percent were employed in each of 1 or 2 quarters. Of those men who were the last to exhaust benefits, more than 40 percent were employed in 2 quarters (the maximum possible), while slightly less were employed for only 1 quarter. In other words, only 21.8 percent of the men were employed in all possible post-exhaustion quarters. Reemployment among the women, on the other hand, was even less widespread, with only 11.3 percent employed in all possible post-exhaustion quarters.

Nor is the record any more impressive if reemployment is measured in terms of total earnings in covered employment (table 3). Regardless of the quarter of exhaustion, more than half of the men either had no earnings or failed to earn as much as \$300 even though 72 percent had a potential reemployment period of 9 to 11 months. Less than 14 percent earned \$1,000 or more, and these were almost entirely the beneficiaries with the maximum potential reemployment period. By this measure, too, the women beneficiaries had still less reemployment than the men. From 75 to 84 percent, depending on the quarter of exhaustion, either had no earnings or failed to earn as much as \$300, and less than 2 percent succeeded in earning \$1,000 or more.

Number Filing Claims in Second Benefit Year

The preponderance of low earnings would indicate that reemployment for a considerable number was not continuous. There is corroborative evidence for this inference in the number of persons who filed claims for benefits in the second benefit year. Such claims were filed by 39 percent of the men and 35 percent of the women, and between 80 and 85 percent of all the claims were allowed. In view of the high allowance rate it would seem that the number of persons filing claims represents an understatement of recurrent unemployment, since those who were unemployed and knew they were ineligible for benefits would not file. About three-fifths of the claims were filed in July 1939, the first month of the second benefit year.

Extent of Requalification for Benefits, January-March 1940

There remains still another measure of the extent of reemployment, a measure entirely in terms of the Michigan law. It is possible to determine the number of beneficiaries who had sufficient base-period earnings to qualify for benefits in the quarter January-March 1940 if they had occasion to file a claim. Qualification would have required earnings of at least \$50 in each of 2 of the 4 calendar quarters October 1, 1938-September 30, 1939, together with minimum total earnings of \$200 in the same 4 quarters. Of course, only earnings received from employers subject to the Michigan law would figure in this determination.

In accordance with this provision of the law, 55 percent of the men and 43 percent of the women would have been eligible had they been unemployed and filed claims for benefits. Thus, to the fact that the beneficiaries with exhausted benefits were without protection from the insurance program for 6 months on the average during the benefit year must be added the fact that about half of these beneficiaries would have remained without protection for at least 9 months following the completion of the benefit year.

Total Unemployment Compared With Compensable Unemployment

The unemployment experience of beneficiaries who had exhausted their benefits may be summarized by comparing the estimated duration of their unemployment—over the period from the loss of job that initiated the first benefit payments to the date of reemployment following exhaustion of benefits—with their compensated unemployment during this period. To the limitation of the gaps in the reemployment data, previously explained, must be added the limitation of the time units available. Since only the month of separation from employment was known, the midpoint of the month was taken as the date unemployment began. The date of exhaustion was similarly determined. It was necessary to place the date of reemployment at the midpoint of the quarter in which it occurred. This procedure would seem to give a conservative bias to the results in that, since employment opportunities were improving during the survey period, more individuals could be expected to be reemployed in the latter half of the quarter than in the first half.

The duration of the total unemployment period for these beneficiaries spans the interval from the loss of employment to the waiting period⁷ plus the weeks they received unemployment benefits (converted to a monthly basis) plus the interval after exhaustion of benefits, up to the date of their reemployment or September 30, 1939, as the case may be. In table 4 these estimates are presented separately for men and women and for those with 16 weeks of benefits and with less than 16 weeks.

It should be noted that these estimates of unemployment extend over an approximate maximum of 2 years, while maximum benefit durations are designed to compensate for unemployment within a single benefit year. Some of the individuals were able to qualify for a second benefit year within the survey period. The number of individuals who would have qualified for benefits in 2 years if the program had been in effect at the time of their first separation from employment cannot be precisely determined; undoubtedly it might have been considerable, since those laid off first might have had good earnings in 1936 and the first half of 1937—periods of relatively good employment opportunities.

Even if it were assumed that all the beneficiaries with allowed duration of 16 weeks had qualified for 32 weeks' duration in a 2-year period, the maximum benefits allowed in 2 years would have been approximately 8 months. Under these circumstances approximately 29 percent of these

⁷ The waiting-period weeks are omitted from the calculations of duration of both unemployment and benefits, since a basic assumption in present unemployment compensation laws is that the worker can carry himself through the waiting period.

men beneficiaries would have received protection for their entire period of unemployment. Even if the law had provided benefits for 26 weeks—the most liberal duration of benefits that is mentioned in present-day public discussion—and it were assumed that the men and women who had allowed duration of 16 weeks would be eligible for two benefit periods of 26 weeks each, only 55 percent of this group would have received protection for their entire period of unemployment.

If these estimates are indicative of the real situation, the conclusion seems to follow that in a period of a sharp, short recession in business activity a marked extension of benefits would be necessary to solve the problem of uncompensated unemployment for an appreciable portion of the beneficiaries.

Unemployment Relief Experience

For an appraisal of the program during the first year of operation it is important to know something of the consequences of long intervals of uncompensated unemployment. Unfortunately, information is readily available only on the more extreme consequences—the ones reflected in those cases in which the beneficiaries were forced to resort to unemployment relief.

Relief needs in the following discussion are limited to those which arise from unemployment. Ordinarily beneficiaries might need relief during the waiting period, or as a supplement to the weekly benefit amount, or after exhaustion of benefits, or during any combination of these three phases of benefit payments. However, for the period under consideration, there was another

Table 4.—Number of beneficiaries exhausting benefits in Wayne County,¹ by sex and benefit duration, and percentage distribution by total period of unemployment²

Sex and period of benefit duration	Number of beneficiaries exhausting benefits	Percentage distribution by total period of unemployment ² (months)									
		Total	4.5 or less	4.6-6.5	6.6-9.5	9.6-12.5	12.6-15.5	15.6-18.5	18.6-21.5	21.6-24.5	24.6 and over
All beneficiaries	6,672	100.0	2.5	7.8	14.4	24.4	15.3	13.1	16.3	5.3	0.9
With allowed duration of 16 weeks	4,037	100.0	2.3	9.9	17.2	25.3	16.1	14.6	13.6	1.0	
With allowed duration of less than 16 weeks	2,635	100.0	2.8	4.5	10.2	23.2	14.0	10.8	20.4	11.9	2.2
Men, total	5,356	100.0	2.5	8.3	15.0	25.1	15.1	12.7	15.8	4.8	.7
With allowed duration of 16 weeks	3,455	100.0	2.3	10.6	17.7	25.3	15.4	14.0	13.7	1.0	
With allowed duration of less than 16 weeks	1,901	100.0	3.0	4.2	9.9	24.8	14.6	10.2	19.6	11.7	2.0
Women, total	1,316	100.0	2.4	5.5	12.4	21.3	16.1	14.9	18.5	7.4	1.5
With allowed duration of 16 weeks	582	100.0	2.2	5.9	14.4	24.7	20.2	17.8	13.9	.9	
With allowed duration of less than 16 weeks	734	100.0	2.4	5.3	10.8	18.8	12.8	12.5	22.2	12.5	2.7

¹ See table 1, footnote 1.

² Duration of unemployment is interval from month of separation from employment leading to first compensable claim to date of first waiting-period claim plus number of weeks of benefit plus interval between exhaustion of

benefits and quarter of reemployment or Sept. 30, 1939, as case may be. ³ Of the 6,720 beneficiaries who exhausted benefit rights for whom reemployment data were obtained, data to estimate duration of unemployment were inadequate for 48.

Table 5.—Distribution of Detroit beneficiaries who exhausted benefits,¹ by relief status² during January 1938–June 1939

Relief status	Total number	Percent of total number	Percentage distribution
Total sample.....	6,454	100.0	-----
Not known to relief, 1935-39.....	3,849	59.6	-----
Known to relief, 1935-39 ³	2,605	40.4	-----
Received general relief and/or WPA employment, January 1938–June 1939.....	1,983	30.7	-----
Received general relief ⁴	1,691	26.2	100.0
Before receipt of benefits.....	1,036	16.1	61.3
Before and after receipt of benefits.....	486	7.5	28.7
After receipt of benefits.....	169	2.6	10.0
Received WPA employment only.....	292	4.5	100.0
Before receipt of benefits.....	154	2.4	52.7
Before and after receipt of benefits.....	112	1.7	38.4
After receipt of benefits.....	26	.4	8.9

¹ Detroit beneficiaries represented 93 percent of the Wayne County sample. See table 1, footnote 1.

² Beneficiaries were considered to have relief status if they were members of households receiving unemployment relief during period studied.

³ Includes 398 beneficiaries in households which applied for relief in January 1938–June 1939 but did not receive direct relief during that period.

⁴ Includes a number of beneficiaries who also had WPA employment, but does not include the 292 who received only WPA employment and no general relief.

possibility. Unemployment compensation payments did not begin in Michigan until the 1937–38 recession had been under way for more than 6 months and a large backlog of unemployment had accumulated among covered workers. For this reason many who ordinarily would have been forced to obtain relief only after the exhaustion of their benefit rights found it necessary to apply for relief before benefit payments began. In these special circumstances the receipt of relief prior to benefit payments can be considered as equivalent to post-exhaustion relief experience.⁸ For beneficiaries who did not exhaust their benefit rights, however, a more qualified interpretation must be made of the receipt of relief prior to benefit payments.

Complete relief data were readily available only for beneficiaries resident in the city of Detroit, or about 93 percent of the total sample.⁹ Analysis of the records of the Detroit Department of Public Welfare for the period January 1, 1938–June 30, 1939, revealed that at least 10.1 percent of the 6,454 Detroit beneficiaries who exhausted benefit

⁸ Loss of attachment in the industrial labor market for such reasons as superannuation or loss of skill or ability will account for the movement of a small portion of beneficiaries from unemployment compensation to direct relief and employment on work projects. Obviously, unemployment compensation has no continuing obligation to such beneficiaries. Since this group would be extremely small, however, and difficult to separate from others who exhaust their benefit rights, no attempt is made to segregate it here.

⁹ Since relief records are maintained on a household rather than individual basis, most of the data from this source concern the characteristics and experience of the entire relief household.

rights were in households that received general relief during the benefit year, and 26.2 percent were in households that received relief either immediately prior to or during the benefit year or in both periods (table 5). Nearly one-fourth of these cases, according to the records, had never before applied for general relief. A slightly smaller percentage of the Detroit beneficiaries with unexhausted benefits were also on the general relief rolls immediately preceding their benefit year.¹⁰

The percentage of all beneficiaries who had work-projects employment but received no general relief was 4.5;¹¹ 2.1 percent had work-projects employment after exhaustion of benefits.

It is thus evident that in the recession period of 1938 some 30 percent of the beneficiaries who exhausted benefits were obliged to obtain relief when unemployment compensation was not available. Such aid was received also by a smaller percent of the beneficiaries who did not exhaust benefits.¹²

Receipt of both unemployment compensation and relief by such a considerable proportion of beneficiaries is not to be explained by unusually liberal relief policies in the city of Detroit. Relief payments during those months represented only 85–90 percent of the amount necessary to sustain the household at the minimum subsistence level as measured by the budgetary standards of the agency; these standards are similar to those used by the United States Department of Agriculture and are based on current prices of food, clothing, and shelter. The household could obtain general relief only if its income, after the liquidation of resources not required for living purposes, was 10–15 percent below the minimum subsistence level.

¹⁰ The check of the welfare records of those who did not exhaust benefits was based on a 12½-percent subsample of the original 10-percent sample. From the larger sample, stratified by sex, industry, and age, every eighth card was selected. That the subsample was representative of the larger sample is indicated by the fact that the month of separation from last employment prior to the benefit year for the subsample group was in close agreement with the distribution by month of separation of the larger sample. It is this factor that would largely condition whether a beneficiary was on the relief rolls prior to the receipt of unemployment compensation.

¹¹ These data were disclosed by an independent analysis of the family case records maintained by the Wayne County WPA for beneficiaries with exhausted benefits. It is assumed that the same percentage applies to the beneficiaries with unexhausted benefit rights. The subsequent analysis, however, is based only on those who had received general relief from the Detroit Department of Public Welfare.

¹² It was pointed out in the earlier article that about 45 percent of the benefit recipients who did not actually exhaust benefit rights would have drawn all their benefits if weeks of unemployment occurring before July 1938 had been available for waiting-period credit or as compensable weeks.

The maximum weekly food allowance in 1938 for households with no source of income other than relief was approximately \$1.65 for a single man, \$2.95 for man and wife, \$4.40 for man and wife with one child, \$5.65 for man and wife with two children, and \$6.60 for man and wife with three children. One ton of coal per month was allowed during the winter, the actual cost of shelter was allowed, and clothing was provided in kind. The actual payment to the household was the difference between the budget, reduced by 10-15 percent, and any resources the household might have.

The same standards of need were applied by the relief agency in certifying workers to WPA employment as were used in granting general relief. The security wage, however, was somewhat higher than the maximum relief grant for medium-sized households. Prior to July 1939, the security wage in the Detroit area ranged from \$60 a month for unskilled labor to \$95 for professional and technical workers. It would appear then that the Detroit standards were not out of line with those in other areas.

Of the 1,691 beneficiaries with exhausted benefit rights who were in households receiving general relief during the survey period, 15 percent were women. Among the 4,763 beneficiaries not included in relief cases during 1938-39, 21.5 percent were women. This is an expected difference, since most women workers are secondary workers in the household and those households, according to the records of the survey, included a larger

percentage of households containing more than one employable person than did the relief households in which the beneficiary was the primary worker. The probability of a household being without an employed worker—that is, needing relief—is less for multiple-worker households than for single-worker households.

Nearly two-thirds (62.6 percent) of the beneficiaries in households receiving relief were considered to be heads¹ of the household (see table 6), and of that number all but 4 percent were men. Of beneficiaries in relief households who were not heads of households, about two-thirds were men.

More than four-fifths (85.2 percent) of the beneficiaries in the general relief cases were white, and about the same proportion were men. Of the 250 colored beneficiaries (Negro, Mexican, Indian, and other), 95 percent were men. The proportion of colored persons among the beneficiaries not in general relief cases or among the covered population is not known.

Since such a large proportion of benefit recipients who obtained general relief were heads of households, it might be expected that relatively more of them, and especially of the men, were in their middle years than were those who did not receive general relief. Furthermore, since workers in the middle years tended to qualify for longer durations and higher rates of benefits than did the young or

¹ A beneficiary was considered head of the household when the first initial of his given name and year of birth were identical with those reported for the head of the relief case.

Table 6.—Percentage distribution of Detroit beneficiaries who exhausted benefits,¹ by status in households receiving general relief January 1938-June 1939, and by duration of relief

Duration of relief ² (months)	Status of beneficiaries in households receiving general relief, January 1938-June 1939											
	All households			Before receipt of benefits			Before and after receipt of benefits			After receipt of benefits		
	Total	Household head	Secondary worker	Total	Household head	Secondary worker	Total	Household head	Secondary worker	Total	Household head	Secondary worker
Number of beneficiaries	1,691	1,058	633	1,036	587	449	486	358	130	169	115	54
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1-2 ³	33.5	34.7	31.6	43.6	48.4	37.4	3.3	3.4	3.1	58.5	61.8	51.9
3-4	19.9	19.6	20.4	20.8	19.4	22.8	16.0	19.4	6.9	24.8	20.9	33.3
5-6	16.9	15.5	19.1	19.7	17.2	22.9	13.8	14.9	10.8	8.3	8.7	7.4
7-8	13.5	13.6	13.4	12.0	11.7	12.2	20.4	19.9	21.5	3.6	3.5	3.7
9-10	6.0	6.4	5.4	2.3	1.9	2.9	15.2	15.5	14.6	2.4	1.7	3.7
11-12	3.8	4.7	2.2	1.0	1.2	.7	10.7	11.5	8.5	1.2	1.7	-----
13-18	3.9	4.1	3.6	.4	.2	.7	12.3	11.2	15.4	1.2	1.7	-----
19 and more	2.5	1.4	4.3	.2	-----	.4	8.3	4.2	19.2	-----	-----	-----

¹ See table 5, footnote 1.

² Includes estimate of WPA employment prior to benefit year for cases closed to WPA prior to benefit year.

³ Cases opened and closed in same month were assigned duration of 1 month.

Table 7.—Cumulative percentage distribution of Detroit beneficiaries who exhausted benefits,¹ by relief status and by month of separation from employment²

Year and month of separation ³	Not in receipt of general relief	In receipt of general relief
Total number of beneficiaries.....	4,746	4,673
1937		
September and prior thereto.....	3.2	2.6
October.....	6.7	5.2
November.....	17.5	16.7
December.....	40.0	41.3
1938		
January.....	51.7	52.7
February.....	59.3	60.6
March.....	67.7	70.0
April.....	74.5	76.6
May.....	81.4	84.2
June.....	89.0	91.2
July.....	96.4	96.8
August.....	99.8	99.8
September.....	100.0	100.0

¹ See table 5, footnote 1.

² Month of separation from employment was month preceding first compensable claim.

³ Excludes 17 beneficiaries with unknown month of separation.

⁴ Excludes 18 beneficiaries with unknown month of separation.

older workers, it is likely that the beneficiaries who exhausted benefit rights and received relief drew benefits for a slightly longer period and at a slightly higher rate than did the beneficiaries who exhausted their benefit rights but did not receive unemployment relief.¹⁴ There was no evidence that the group which received both unemployment compensation and general relief was the first to become unemployed (table 7). The data would seem to indicate that beneficiaries in receipt of general relief during the survey period were as employable as beneficiaries who did not receive general relief. However, it should be noted that those who received general relief only during the benefit year, an important minority of the total in receipt of general relief, tended to be at some disadvantage in finding reemployment after the exhaustion of benefits as compared to those who did not obtain general relief or to those who obtained it only prior to the benefit year.

Special needs such as result from illness were the main causes of destitution in only 6.6 percent of the cases. Nor could it be claimed that large families caused a rapid depletion of the resources of these households after unemployment occurred. The average number in the household was slightly less than three persons.

The duration of relief and the number of shifts between unemployment compensation and relief provide some measure of the extremity of need in

these households and the problem faced by the households in shifting from one program to another.

The duration of relief has been computed in terms of months. Included in the count were the general relief periods which occurred partly or wholly during the calendar year 1938 or were initiated in the first 6 months of 1939. The terminal date of this phase of the survey was February 15, 1940.

Data on the duration of WPA employment were not available. However, if prior to the receipt of the first benefit check a general relief case was closed because of employment on WPA, it was assumed that WPA employment continued until the person received his first benefit check. Accordingly, for all cases receiving relief prior to the benefit year, the duration of relief was counted from the date of acceptance for general relief to the date the first unemployment compensation check was issued. The duration of relief during the benefit year (that is, the receipt of relief concurrently with benefits or after the exhaustion of benefits) was based only on the number of months in which general relief was received and involves no assumption as to the duration of WPA employment which may have followed the relief period. For cases opened and closed in the same month, the duration was counted as 1 month.

Of the 1,691 beneficiaries in households receiving general relief during the 18-month survey period, 33.5 percent received such relief for 2 months or less (table 6).¹⁵ As many as 30 percent received relief for 7 months or more and 6 percent for more than a year. Cases in which the beneficiary was head of the household received relief for a somewhat shorter total period than cases in which the beneficiary was a subsidiary worker. This applies both to the group that received general relief only prior to the benefit year and to the group which also received it during the benefit year.

The number of shifts between general relief, work projects, and unemployment compensation in the course of a period of unemployment has a bearing on one part of the problem which confronts the benefit recipient in obtaining necessary aid when he is unemployed. Ordinarily the bene-

¹⁴ Proof of this relationship is shown in tables 32 and 33 of Bureau Memorandum No. 14, op. cit.

¹⁵ 17 percent of those who received general relief after exhaustion of benefits did so for less than 3 months.

fit recipient will make no more than two shifts between agencies and receive aid from no more than three agencies. In a long period of unemployment he may exhaust his benefit rights and be forced on the general relief rolls, from which he may be certified and assigned to work-projects employment. During the period under study, however, it was possible for the benefit recipient to have a period of general relief and a period of work-projects employment before, during, and/or after the receipt of unemployment compensation, making four or more shifts and five or more periods of either unemployment relief or unemployment compensation.¹⁶

Although the data available from the general relief and unemployment compensation records do not lend themselves to a count of the actual number of shifts or assistance periods, they permit computation of the minimum number of shifts and periods. Of the 1,691 beneficiaries who received general relief during the 18 months studied, 41.4 percent made at least one shift between agencies, 33.4 percent at least two shifts, 17.9 percent at least three shifts, and 7.3 percent made at least four shifts.

For the beneficiary and his family these shifts create problems of adjusting to changing levels of income and to different types of benefits. They may involve a shift from a cash benefit to commissary or store orders, from free choice to restricted choice or dependency upon Federal surplus commodities. Loss of income may occur during the transfer from one type of assistance to another. For the agencies, such shifts necessitate a multiplicity of investigations, records, and reports, which add to administrative costs.

Summary

This analysis of the post-exhaustion experience of recipients of unemployment benefits in Wayne County, Michigan, discloses that the unemployment compensation program fell far short of providing protection against all the unemployment experienced by workers who had sufficiently good job attachments to qualify for benefits. Although

¹⁶ Even with the unemployment compensation program in continuous operation, it should be noted that it will be possible for benefit recipients who exhaust their rights early in the benefit year and who qualify for benefits in the succeeding benefit year to receive relief and work-projects employment both before and after the benefit period in the second benefit year.

the months following the exhaustion of benefits were months of increasing employment opportunities, only one-third of the beneficiaries were reemployed in covered employment—that is, with earnings of at least \$50—in the calendar quarter in which they exhausted their benefit rights. Equally significant is the fact that another third were not reemployed by the end of the first quarter following the end of their first benefit year.¹⁷ The limited extent of reemployment is also indicated by the fact that only half of the beneficiaries exhausting benefit rights could have qualified for benefits in the first quarter of 1940, the third quarter following the completion of the benefit year.

Most serious are the implications from the estimates of the total duration of unemployment, from loss of job prior to the benefit year to the date of reemployment in covered industry. These estimates disclose that for only about 29 percent of the men exhausting benefits who had an allowed duration of 16 weeks would 32 weeks of benefits have bridged the total period of unemployment. Even if benefits had been paid for 52 weeks in two years, only about half this group would have received benefits for each week of unemployment.

Because of the long intervals of uncompensated unemployment, about 30 percent of all beneficiaries who did exhaust benefits, and a somewhat smaller percent of those who did not, were obliged to obtain general relief or work-projects employment immediately before or during the benefit year, when unemployment compensation was not available. About 15 percent received general relief or work-projects employment after the exhaustion of benefits. Since there was nothing unusual in the Detroit relief situation, this finding casts considerable doubt on the validity of the contention sometimes made that unemployment compensation and unemployment relief programs aid two entirely different segments of the employable population. With respect to several characteristics reflecting employability, the beneficiaries who were in relief households did not differ significantly from beneficiaries who exhausted their benefit rights but were not known to general relief agencies.

¹⁷ It should be repeated that any possible employment in noncovered industries could not be taken into account in this study.

AMENDMENTS TO THE RAILROAD UNEMPLOYMENT INSURANCE ACT

SOLOMON S. KUZNETS *

The fundamental interrelationship between the Federal-State systems of unemployment compensation and the system of unemployment insurance for railroad workers makes the following analysis of the recent amendments to the Railroad Unemployment Insurance Act of special interest to readers of the Bulletin. This article discusses the background for the proposals and the need for changes in the benefit formula revealed during the first year of operation of the act.

DURING THE first half year of operation of the Railroad Unemployment Insurance Act, which went into effect on July 1, 1939, it became apparent that benefits paid under the act were considerably lower than those under most State unemployment compensation laws and that the contributions called for by the act could support a more adequate benefit scale. Accordingly, early in 1940 organized labor, represented by the Railway Labor Executives' Association, initiated negotiations with the Association of American Railroads with a view to arriving at a series of amendments which could be presented to Congress as a bill agreed to by both management and labor. At the same time the Railroad Retirement Board was requested to make certain studies in order to provide technical assistance to the two parties directly concerned in drafting the legislation.

No agreement was reached in the negotiations between management and labor. For this reason two separate bills to amend the Railroad Unemployment Insurance Act were introduced in the Senate. The bill introduced by Senator Wagner (S. 3920) ¹ incorporated the changes proposed by the Railroad Labor Executives' Association; this bill was later reviewed and approved, with minor emendations, by the Railroad Retirement Board. The bill sponsored by Senator Gurney incorporated changes supported by the Association of American Railroads (S. 3925). The provisions of S. 3920 contained important changes in the rate, duration, and total amount of benefits, in the waiting period, and in a number of administrative features of the original act. The amendments proposed in S. 3925 were concerned mainly with benefit provisions and with a sliding scale of con-

tributions depending on the amount of assets in the railroad unemployment insurance account, from which benefits are paid.

Hearings on the two bills were held before a subcommittee of the Senate Committee on Interstate Commerce on May 13 and 14. Although an effort was made to arrive at an agreement in the Committee, two separate reports were submitted to the Senate on June 3. The majority report approved with a few technical changes the bill introduced by Mr. Wagner. The dissenting report, signed by five members, recommended the passage of Mr. Gurney's bill with some changes, the most important of which was the substitution of the scale of daily benefit amounts proposed in S. 3920.

Because of the pressure of legislation on national defense, the Senate did not consider the amendatory bills until July 29. On that date S. 3920 was passed as reported out of committee, with the addition of a section providing that most of the changes go into effect on October 1, 1940, instead of July 1 as originally proposed. This section also directed that certain adjustments be made in connection with benefits paid and waiting periods served during the period July 1-September 30.

In the House, bills to amend the Railroad Unemployment Insurance Act were introduced by Representative Crosser on May 8 (H. R. 9706), by Representative Reece on June 13 (H. R. 10082), and by Representative Kennedy on June 14 (H. R. 10085). The Crosser and Reece bills were substantially the same as the Wagner and Gurney bills. The Kennedy bill proposed an equal division of contributions between employers and employees, whereby the employer contribution rate would be reduced from 3 to 1½ percent and an equal contribution would be payable by employees. Hearings on the three bills were held before the Committee on Interstate and Foreign Commerce

*Railroad Retirement Board, Bureau of Research and Information.

¹ On May 2 Mr. Wagner introduced S. 3906 for which S. 3920 was later substituted. The only difference between the 2 bills was in the daily benefit amounts for the various classes of beneficiaries.

on June 14 and 17 and July 8 and 9, but no report was submitted. On July 30, S. 3920 as passed by the Senate was referred to the Committee, which submitted a favorable report on September 13. The Committee recommended a number of changes, however, of which the most important eliminated the carry-over of unused benefit rights from one benefit year to the next. The bill was subsequently recalled by the Committee and after additional changes were made was passed by the House without dissent on September 30. The House version was adopted by the Senate on October 2 and signed by the President on October 10.

The amendatory act contains 27 sections, most of which went into effect on November 1. Many of them attempt to correct weaknesses and difficulties in administrative processes which were revealed during the first year of operation. The vital changes, however, are concerned with the benefit formula and provide a substantial increase in benefit levels. The discussion which immediately follows deals with the background of the proposals and analyzes the more important changes.

Inadequacy of Benefits Under the Original Act

The act originally provided benefits for each day of unemployment in excess of 7 in a period of 15 consecutive days (a half month) up to a maximum of 80 daily benefit amounts in a benefit year. The daily benefit rates ranged from \$1.75, for employees with base-year compensation of \$150-199, to \$3.00 when base-year compensation was \$1,300 and over. Within this range the daily benefit amount was raised by 25 cents for each increase of \$275 in the base-year compensation. Benefits were payable after a waiting period of one half month with at least 8 days of unemployment, served within 6 months of the beginning of the benefit year.²

That the benefit formula of the original act would result in rather small benefits was evident even before actual payments began. True, the potential duration of benefits in a benefit year, which extended over a period of 5 months or slightly over 21 weeks for all eligible employees, compared favorably with the provisions of State

unemployment compensation laws, in which the maximum limit in most cases is 16 weeks. The waiting-period provision could also be considered satisfactory, since the waiting time appeared to range from slightly more than 1 week to slightly more than 2 weeks. Here, however, appearances were somewhat misleading. In practice the unemployed worker had to wait for his first benefit check for at least 1 month after the beginning of his unemployment, because he was not entitled to benefits for the first half month (the waiting period) and had to complete another half month before a valid benefit claim could be adjudicated. He was therefore in a position similar to that of the claimant in a State with a waiting period of 3 weeks; this was in effect a longer waiting period than the 2 weeks required in a majority of the States.

It was in relation to the benefit provided for a period or spell of unemployment that the inadequacy of the benefit formula was striking. The benefit for a period of 15 consecutive days of unemployment ranged from \$14 to \$24. The equivalent weekly benefit rate for total unemployment may be calculated either as seven-fifteenths of the benefit for 15 days or as one-half of such benefit, the latter on the assumption that the fifteenth day is a Sunday or other day on which the claimant does not normally work. Even on the basis of the larger fraction, the equivalent weekly benefit rate under the unamended act works out to a minimum of \$7 and a maximum of \$12, with 4 intermediate rates spaced at \$1 intervals. Although the minimum rate appears to be high, being equaled or exceeded in only a few States, the maximum is lower than in any State system.

The comparison, however, is misleading because it involves an application of standards developed for manufacturing and other industries to railroads, which have a markedly different wage-rate structure. In an industry in which the lowest paid and least skilled groups average \$18-22 for a full week, where skilled labor in the shops and in the train-and-engine service is paid a minimum of \$40 while semiskilled helpers and apprentices average \$27, and where clerical employees receive a weekly wage approximating \$35, the adequacy of the original benefit scales is obviously questionable. Even for the lower wage groups a substantial amount of employment in the base year was necessary to qualify them for benefits which

² The statement about the waiting period applies to the act in effect in July 1939-October 1940; for changes made in the waiting-period requirements in June 1939, see p. 14.

would approximate one-half the full-time wage. Since the highest weekly benefit was \$12, the skilled and white-collar groups could not under any circumstances receive a benefit approaching one-half their full-time wage.

When a claimant was unemployed for less than 15 days, the inadequacy of benefits was even greater. Thus, a claimant with 7 days of unemployment received no benefits although his unemployment extended over virtually half the 15-day period, and a claimant with 10 days of unemployment received only 27½ percent of the maximum benefit while his unemployment equaled nearly 67 percent of the maximum possible unemployment for the period. This relationship between unemployment and benefits is implicit in the formula, which provided for benefits only for days of unemployment in excess of 7, on the principle that in a 15-day period earnings from employment should be allowed to offset in whole or in part the wage loss from unemployment. In this respect the provisions of the act were similar to the treatment of so-called partial unemployment in the State systems, except that in most States the period during which earnings are applied as an offset against the wage loss is limited to a week. The length of this period is, of course, the major factor governing the liberality of compensation for partial unemployment as compared with compensation for total unemployment: the longer the period, the less generous are the "partial" benefits. Under the benefit formula of the railroad act this is most obvious in the case of 7 consecutive days of unemployment, for which the claimant receives no benefits; under many State laws an eligible claimant would in this case be entitled to a week's benefit, or half the benefit drawn for 2 weeks (or 15 days) of consecutive unemployment.

These weaknesses of the benefit provisions—the low level of weekly or semimonthly benefits and an unduly long waiting period—were apparent before benefit operations under the act began in July 1939. In fact a minor change in the waiting period was made in the amendments approved in June 1939; for the original requirement of 1 half month with 15 consecutive days of unemployment or of 2 half months with at least 8 but less than 15 days of unemployment a simpler provision was substituted which required only 1 half month with at least 8 days of unemployment. No major changes, however, were considered desirable at

that time because there appeared to be no reason to qualify the theory underlying the original act. This theory assumed that, because of the widespread acceptance of the seniority principle, unemployment among railroad workers is concentrated more than in any other industry in the low-wage groups and that unemployment when it occurs is in the main continuous over long periods. Accordingly stress was laid on extended duration and on providing a benefit scale which would conform to the standard of one-half of the full-time wage at least for the lower paid groups. Small differences in the waiting period were unimportant when the duration of unemployment was long. Moreover, it appeared impossible to finance larger benefits with a contribution rate of 3 percent, the norm established for the country by the Federal-State unemployment compensation system.

Benefits in the First Year of Operation

Claim and benefit-payment experience under the act quickly revealed some additional flaws in the benefit structure of the system. It became apparent in the first few months of operation that, regardless of any objective and long-run considerations, claimants were immediately and vitally concerned with the benefit amount payable to them for each half month. The fact that they received a benefit for a half month which was smaller than they had received under the State systems for a similar period appeared to them more important than the longer potential duration of benefits in the course of a year. Because of dissatisfaction with the benefit scale, the Board was early impelled to make a statistical study, based on actual cases, of the comparative benefit rights under the railroad and State systems. The results of this study, as modified by weights reflecting the first full year of experience, are summarized in table 1.

Benefits under the act compared with State benefits.—For the purposes of this study about 100 cases per State were selected at random from the group of applicants for benefit rights under the railroad system in the first month of operation. The sample included 43 jurisdictions in the continental United States. Six small jurisdictions³ were omitted because no satisfactory sample could be obtained or because the State benefit

³ Delaware District of Columbia, Nevada, Rhode Island, Vermont, and Wisconsin.

formula precluded calculations on the basis of data available in the files of the Board; these 6 jurisdictions account for less than 4 percent of the employees covered under the act.

For each case included in the sample, benefit rights for a long and continuous period of unemployment beginning July 1, 1939, were calculated both under the railroad act and under the unemployment compensation statute of the employee's State of residence, on the assumption that the wage credits—but not necessarily the base period—under the two laws were the same. The State laws used for this purpose were those enacted by March 1, 1940; no attention was paid to benefit provisions applying to a transitional period or to those reflecting an old benefit formula which was scheduled to be replaced by a new formula. The weekly benefit rate for total unemployment and the maximum amount of benefits for the benefit year under both systems were then compared for each case. In order to guard against any exaggeration of the weaknesses of the railroad act and for simplicity in calculation, the weekly benefit rate under the railroad act was assumed to equal one-half the benefit for a half month with 15 days of unemployment. Cases found to be ineligible under State statutes were eliminated from this comparison, because cases ineligible under the railroad act were not included at the outset in the universe from which the sample was drawn. The results of this comparison were compiled separately for each benefit class in each State; for the same groups the median weekly benefit rate and the maximum amount of benefits in the benefit year were also obtained. The summary results for each State were calculated by means of benefit-class weights based on the first full year of operation under the act. The summary results by benefit classes for the United States were calculated by means of State weights proportionate to the number of railroad employees in each State.

Because of differences between the benefit provisions of the railroad act and the State statutes, differences which relate not only to the methods of calculating the benefit rates and maximum amounts but also to the length and position of base periods with respect to the benefit years, there is no reason to expect that the comparison of

Table 1.—Comparison of average weekly benefit rates and maximum benefits payable in a benefit year to railroad workers, under State unemployment compensation laws and under the Railroad Unemployment Insurance Act¹

Group or State	Weekly benefit rate			Maximum benefits in benefit year		
	Average under State law	Percent of cases in which State rate—		Average under State law	Percent of cases in which State maximum—	
		Exceeds RUIA rate	Equals RUIA rate		Exceeds RUIA maximum	Equals RUIA maximum
Total.....	\$11.90	74	3	\$163	33	5
Employees with RUIA base-year compensation of:						
\$150-199.....	5.75	21	5	54	6	—
200-474.....	9.50	60	4	118	25	2
475-749.....	12.50	77	4	167	36	2
750-1,024.....	14.25	86	3	205	47	1
1,025-1,299.....	15.00	97	1	219	55	—
1,300 and over.....	15.25	100	—	241	27	30
States:						
Alabama.....	8.50	35	10	179	34	5
Arizona.....	11.25	71	—	156	32	—
Arkansas.....	9.25	32	20	143	32	—
California.....	15.00	100	—	256	88	9
Colorado.....	11.50	57	12	171	46	—
Connecticut.....	11.00	63	9	110	13	—
Florida.....	13.50	76	17	199	64	2
Georgia.....	11.25	56	13	175	55	—
Idaho.....	12.25	82	7	172	44	—
Illinois.....	14.00	90	3	166	35	—
Indiana.....	12.50	69	7	152	29	—
Iowa.....	12.50	70	—	178	59	—
Kansas.....	9.75	39	16	104	13	—
Kentucky.....	11.75	61	—	175	54	—
Louisiana.....	10.75	63	—	170	42	—
Maine.....	8.00	15	11	132	13	—
Maryland.....	10.25	52	13	145	29	—
Massachusetts.....	12.25	67	5	190	45	1
Michigan.....	14.75	90	2	205	66	2
Minnesota.....	11.50	60	15	174	51	1
Mississippi.....	10.75	49	3	146	34	—
Missouri.....	11.75	67	—	140	22	7
Montana.....	12.00	66	19	191	59	6
Nebraska.....	10.50	52	22	100	42	—
New Hampshire.....	12.00	67	21	117	14	—
New Jersey.....	11.00	57	9	121	18	—
New Mexico.....	9.25	39	15	145	26	1
New York.....	12.25	66	13	158	33	—
North Carolina.....	7.25	5	11	114	13	—
North Dakota.....	11.25	55	19	174	49	1
Ohio.....	13.00	72	13	208	77	—
Oklahoma.....	9.50	34	24	109	14	—
Oregon.....	12.75	82	8	105	15	—
Pennsylvania.....	14.25	83	—	178	45	—
South Carolina.....	9.50	35	18	150	36	2
South Dakota.....	8.25	22	2	114	13	—
Tennessee.....	9.75	43	20	158	43	1
Texas.....	8.75	30	8	119	15	—
Utah.....	11.00	64	6	144	22	—
Virginia.....	11.50	68	—	175	56	—
Washington.....	12.25	67	16	173	54	1
West Virginia.....	8.00	13	4	110	13	—
Wyoming.....	15.00	83	3	157	31	—

¹ Calculated from sample of 100 cases per State. For statement of methods used, see text, p. 15. In interpreting table the following facts for rights under original railroad act should be noted: Equivalent weekly benefit rate for the U. S. and for each State averages \$9.25; for individual benefit classes it ranges from \$7 to \$12, with intermediate rates at \$1 intervals. Maximum benefits in a benefit year for the U. S. and for each State amount on the average to \$185; for individual benefit classes maximum ranges from \$140 to \$240, with 4 intermediate amounts spaced \$20 apart.

benefit rights under the State and Federal laws would show that all or nearly all benefit rates or maximum benefit amounts under the State law are higher or lower or the same as under the railroad act. The results of the comparison can be stated only in terms of the proportion of cases in which the benefit rates or maximum benefits under one act are higher or lower than under the other. Greater liberality of benefits is indicated when the proportion of cases with higher weekly or maximum benefits exceeds one-half. Another method is to compare the averages under the two laws, to get a measure of the differences between the laws in terms of dollars and cents. The figures presented in table 1 permit comparison by both methods.

In relation to the weekly benefit rate, the figures in table 1 show that there are only 6 of the 43 States in which the State amount is clearly lower than that provided under the railroad act. In these States—Alabama, Maine, North Carolina, South Dakota, Texas, and West Virginia—the proportion of cases in which the State rate is greater than or equal to the equivalent weekly rate under the railroad act is definitely less than 50 percent. The average rate in these States is also below the average under the railroad act, which is \$9.25. It is significant that these 6 States include all those in which the law provides for the determination of the weekly benefit on the basis of annual wages from covered employment, a formula similar to that used in the railroad act; the rates in Maine, North Carolina, South Dakota, and West Virginia are, however, much lower than under the act, because the weekly benefit is taken on the average at a much lower fraction of base-year wages.

For 5 other States (Arkansas, Mississippi, New Mexico, Oklahoma, and South Carolina) the comparison by the two methods is inconclusive, suggesting that in general and on the average the differences between State benefit rates and the equivalent weekly rates under the act are small. For the remaining 32 States the weekly benefit amounts are appreciably higher than the equivalent rates under the act; in 5 of them—California, Illinois, Michigan, Pennsylvania, and Wyoming, which include nearly 27 percent of the total number of railroad employees—the average benefit rate under the State law is at least 50 percent greater than under the Federal act. It is not

surprising, therefore, that the average benefit rate under State laws for the country as a whole exceeds by nearly 29 percent the equivalent weekly rate under the Federal act. It is also noteworthy that for nearly three cases out of four the weekly benefit under the State laws is greater than under the Federal act for the same wage credits.

With respect to the maximum amount of benefits in the benefit year, the comparison yields at first glance almost diametrically opposite results. In only 5 States out of 43 does the proportion of cases with maximum benefits larger than under the railroad act exceed 50 percent and the State maximum exceed \$185, the average applicable to the railroad act. Among these 5 States are California, with a maximum potential duration of 26 weeks, and Montana and Ohio, with uniform potential durations of 16 weeks. For 8 other States the comparison is inconclusive, suggesting that the differences are on the whole small. For the remaining 30 States, however, maximum benefits under State laws were appreciably lower than under the Federal act, although for 19 of them the State weekly benefit was definitely above the equivalent rate in the railroad system. For the country as a whole, maximum benefits under the railroad act were higher in about 62 percent of the cases; the net average excess over the State level was about 13 percent. Obviously, these figures do not indicate whether and to what extent longer duration can offset lower weekly benefit levels—from the standpoint of either the unemployed worker or sound social policy.

More significance attaches to this study when the results are presented separately for each benefit class. As may be seen from the averages for the country in table 1, the deficiency in the benefit rate under the railroad act does not occur at all in the group with base-year wages of \$150–199 and is not too large for the group with annual compensation of \$200–474. For these groups the equivalent weekly rates under the Federal act are \$7 and \$8, respectively, as compared with an average of \$5.75 and \$9.50 in the State systems. The disparity becomes really wide for the higher compensation classes, in which the difference in favor of the State systems ranges from \$3.25 to \$4.25 per week. Moreover, for the classes with base-year wages of \$750 or more the longer duration under the railroad act in no sense compensates for the

Table 2.—Comparison of railroad unemployment insurance benefits and full-time wages for selected occupational groups of employees of class I railroads, fiscal year 1939-40¹

Occupational group	Average full-time wage for a period of 2 weeks	Average benefit for 15 consecutive days of unemployment	Ratio of benefit to wage loss in 15-day period (percent)	Percent of occupational group to total for class I railroad employees	
				Beneficiaries	Benefit half months
Skilled crafts:					
Maintenance of way and structures, skilled.....	\$59.50	\$19.22	32.3	2.5	2.2
Maintenance of equipment, skilled.....	67.80	20.08	29.6	14.6	10.9
Train, engine and yard service, junior occupations.....	79.44	18.77	23.6	14.3	14.1
Other manual workers:					
Maintenance of way and structures.....	38.65	16.62	43.0	30.1	33.8
Maintenance of equipment and stores.....	43.20	17.97	41.6	6.2	6.1
Helpers and apprentices (maintenance).....	48.00	18.84	39.3	12.9	10.9
Freight handlers.....	50.04	17.47	34.9	5.5	6.8
White-collar employees:					
Clerical.....	68.76	19.39	28.2	2.8	3.5
Station agents and telegraphers.....	71.15	19.40	27.4	1.9	1.9

¹ Full-time wage is calculated from data on average hourly and daily earnings by occupation for 1938, compiled by the Interstate Commerce Commission. For all occupations other than skilled crafts in maintenance of way and structures and in maintenance of equipment, and helpers and apprentices, a full week is assumed to consist of 48 hours or 6 days; for exempted occupations a full week is set at 40 hours. The occupations are combined by means of weights proportional to number of employees with less than 12 months of service and with credited compensation of \$150 or over in 1938, as compiled by the Railroad Retirement Board. Other figures in table are calculated from sample of benefit certifications covering first full year of operation under the Railroad Unemployment Insurance Act.

lower weekly benefit amount; for these classes there appears to be little difference between the Federal system and the State averages in the maximum amount of benefits in the benefit year.

Benefits by occupational groups.—Experience in payment of benefits made it also increasingly clear that the original theory exaggerated the concentration of unemployment in the railroad industry in the groups with relatively low wage rates. Large numbers of skilled and semiskilled employees, particularly in the shops and in the train-and-engine service, registered as unemployed and claimed benefits. Under the provisions of the act, employees in these groups could not conceivably become entitled to benefits that would approximate half their full-time wage. The results of the first full year of operation bearing on this point are summarized in table 2, which covers approximately 90 percent of the compensable unemployment among employees of class I railroads, by far the largest class of employers subject to the act. The occupations omitted consist of supervisory employees, the senior grades in the train-and-

engine service, restaurant and kitchen employees, marine workers, and other groups for which the ratio of benefits to full-time wages is of no interest for the purposes of this discussion.

In this table, low wage-rate groups account for only 60 percent of the unemployed workers who received one or more benefits and for approximately 65 percent of their compensable unemployment. These figures are based on a broad definition of low-wage groups, in which are included not only unskilled and semiskilled manual workers but also the helpers and apprentices in the skilled crafts. Even for these groups, however, benefits for a half month of total unemployment compensate on the average only 35 to 43 percent of the wage loss. For other employees the degree of compensability is much lower; for the skilled crafts it ranges on the average from 24 to 32 percent, and for white-collar employees it does not exceed an average of 28 percent.

Intermittent unemployment.—The discussion so far has dealt only with half months of total unemployment, which, it was anticipated, would account for substantially all the unemployment in the industry. On this point, too, experience showed that the original theory is subject to serious qualifications. Of the total number of claims submitted by eligible workers which were processed in the first year of operation, only 52 percent were for half months with 15 days of unemployment. Of the remainder, 14 percent covered half months with 7 or fewer days of unemployment and 34 percent covered half months with 8 to 14 days of unemployment. A sample study of half months by number of days of unemployment suggests that the number of half months with 7 or fewer days of unemployment would probably have been larger if eligible employees had registered with respect to every day of unemployment which they incurred. Undoubtedly many employees neglected to do so when they were certain to go back to work in a few days, because under the act they could receive neither benefits nor credit for waiting period for a half month with fewer than 8 days of unemployment. Even when taken at face value, the figures show clearly that, at least in a year when employment conditions are fairly good, unemployment among eligible workers is by no means continuous. Much of the unemployment apparently occurs in short spells, the benefits for which compensate a

smaller proportion of the wage loss than in cases of total unemployment in 15-day periods.

Moreover, continuity or intermittency of unemployment appears to be related much more to the department or service in which the employee works than to his occupational grade or the wage-rate level. An analysis of a sample of benefit certifications in the first year by the duration of unemployment in the half months to which they apply shows, for example, that for the skilled crafts in maintenance of way and structures 73 percent of all certifications were for half months with 15 days of unemployment, while for other manual workers in the same departments the proportion was 71 percent. For maintenance of equipment and stores the proportions for the skilled and other manual workers were 53 and 55 percent, respectively; only for helpers and apprentices, a group which includes some employees also in maintenance of way and structures, was the proportion as high as 59 percent. The lowest proportions of continuous unemployment were found for freight handlers—37 percent—and for the junior occupations in the train, engine, and yard service—48 percent; these percentages obviously reflect the conditions of employment in these departments rather than the degree of skill required or the rate of pay.

The figures therefore lend no support to the theory that higher compensation was provided under the act for wage losses among the lower wage groups because their unemployment tends to be continuous. Experience showed that continuity of unemployment is characteristic of certain departments of railroad operations subject to pronounced seasonal fluctuations; all groups of employees in such departments are equally liable to suffer long periods of continuous unemployment. In other departments there is relatively little difference in the character of unemployment as between the skilled and the unskilled.

Maximum duration and waiting period.—The results of the first year of operations also have an important bearing on the other aspects of the benefit formula—the maximum potential duration and the waiting period. During that year, of 160,735 persons for whom one or more benefit payments were certified, only 29,303, or a little more than 18 percent, were unemployed long enough to draw the maximum amount of benefits to which they were entitled during a benefit year. This

crude calculation understates the figure significant for this discussion, namely, the proportion of beneficiaries who draw the maximum amount of benefits before their benefit year expires. On the basis of data available at present it is estimated that the exhaustion rate will probably be about 27 percent. For at least two-thirds of the beneficiaries, therefore, an extended duration of benefits in the year is of no material consequence, at least when employment conditions are as favorable as they have been since June 1939. For this group long duration is in no sense an offset for low weekly benefit amounts. The significance of this inference is magnified by data which suggest that for the higher wage-rate groups, for whom weekly or semimonthly benefit rates compensate a lower proportion of the wage loss than for other employees, the exhaustion rate is also much lower.

Experience in the first year of operation probably exaggerated the effect of the waiting period in reducing the amount of benefits, because the volume of unemployment during that year was comparatively small. However, even after account is taken of this qualification, the figures for the first year are striking. They show that, if the waiting-period requirement had been eliminated, benefits on the average would have been raised about 19 percent. Included in this calculation is the group of claimants who drew the maximum amount of benefits to which they were entitled for the year and whose benefits were therefore unaffected by the waiting period. Excluding this group, the average increase in benefits by elimination of the waiting-period requirement works out to 23 percent. Granted that in a year with greater unemployment the effect of the waiting period would have been smaller, the question of justifying so restrictive a requirement still remained.

This question appeared to be particularly relevant because the arguments ordinarily advanced for a waiting period are not applicable to the railroad unemployment insurance system. A justification on administrative grounds—to afford sufficient time for the initial determination of benefit rights—obviously is irrelevant, since rights of the great majority of covered workers are in fact determined about a month before the earliest possible beginning of the benefit year. Statements of compensation and service credited for the calendar year are prepared and distributed

by the Board in the following May and June to all employees; these statements represent in fact initial determinations of benefit rights for the year beginning on or after July 1. The argument that it is preferable to make relatively larger payments to workers with long periods of unemployment than to disperse benefit funds through small payments to workers with short periods of unemployment presupposes that the condition of the reserve compels a choice between the two alternatives. A comparison of the aggregate benefit outgo in the first year of operation with the contributions applicable to that period clearly suggested that it would be possible to pay larger benefits to workers with short periods of unemployment without penalizing other groups of claimants.

Extent of possible increase in benefits.—From July 1939 through June 1940 a total of approximately \$14,811,000 was certified in benefits. If account is taken of benefits certified after June 30, 1940, for unemployment which occurred prior to the end of the fiscal year, it is probable that the benefit outgo for the year would amount to a little more than \$15,000,000. By the end of September 1940 a total of about \$65,470,000 had been collected in contributions, interest, and penalties for the year July 1939–June 1940. Ninety percent of this figure, or about \$58,923,000, is available for the payment of benefits; the remainder is appropriated under the act for administrative expenses. It appears therefore that less than 26 percent of the contributions accruing for the fiscal year was actually paid in benefits. A clear indication is thus afforded that benefit levels can be raised.

The next question relates to the extent of the possible increase in benefits, if on the one hand solvency of the unemployment fund is to be assured through all the vicissitudes of the business cycle and on the other the accumulation of unduly large and unnecessary reserves is to be prevented. There are no absolutely reliable data furnishing an answer to this question, nor can they become available until sufficient experience is accumulated with the operation of the railroad unemployment insurance system or a system similar to it. For the time being reliance must be placed on such approximate indications as can be derived from other sources.

The experience of the British unemployment insurance system from 1929 through 1939 shows

that at their peak annual benefit payments are about 2.4 times as large as the outlay in years when unemployment is at its lowest. The differences between the benefit features of the British plan and the employment history of the British industry on the one hand and the corresponding factors in the railroad system in this country on the other all point to the fact that this measure of the range of benefit payments exaggerates the probable experience under the railroad act. Paralleling this measure of fluctuations in benefits, statistics of railroad pay rolls in this country for the period from 1933 through 1939 suggest that in a year of low employment contributions are likely to be not less than 70 percent of the contributions applicable to a year of high employment. Even after account is taken of probable increases in railroad pay rolls in 1940 and 1941—as a result of industrial expansion in connection with the defense program, which can scarcely be regarded as a normal phase of the business cycle—the lowest annual contribution amounts to not less than 66 percent of the highest annual figure.

On the basis of these conservatively estimated factors and using the conservative assumption that the number of good years is the same as the number of bad years, the following equation can be set up: $1b + 2.4b = 1c + .66c$, where b is the benefit outlay in a year of high employment and c is the contribution applying to the same year. This equation shows that in a very good year benefit outlay may amount to nearly 49 percent of the contributions accruing for that year without destroying the solvency of the fund; this would permit the payment in a bad year of benefits exceeding 175 percent of the contributions applying to such period. In the light of this calculation, the experience of 1939–40, with benefits amounting to less than 26 percent of the contribution accruals, means that the benefit outlay could be nearly doubled. Since the estimating procedure includes obvious elements of a conservative bias and since employment conditions in the year 1939–40 were by no means the most favorable for the period used, it is safe to say that benefit payments could be raised by more than 100 percent.

Recommended Changes in the Benefit Formula

Analysis of the experience in the first year of operation and of supplementary data indicated the areas in which changes appeared to be most

desirable and the extent to which benefit levels could safely be raised. For administrative reasons these changes were to be made in such a way as to retain as much as possible of the external characteristics of the benefit formula. Understanding by claimants of their rights is always essential to the smooth functioning of the system, and radical departures from the principles to which the claimants had become accustomed in the first year would have caused confusion and complaint. This was clearly so in a system in which the administrative agency has no every-day direct contact with the claimant, because the functions of registration and claims taking are performed by 45,000 minor supervisory employees of the railroads. Even the task of training this vast army of part-time claims takers in the intricacies of a new formula while they were actively engaged in the administration of the system under the current formula would be an extremely difficult and hazardous undertaking.

Change in the number of benefit days.—The change most definitely indicated by the various studies was in the benefit payable for a single claim and benefit period, 15 consecutive days under the act as it then stood. It was essential to raise the amount of benefit payable for substantially all claimants, but more particularly for semiskilled and skilled manual workers and the white-collar groups. Moreover, the benefit payable for partial unemployment in such periods was to be increased more than the benefit for total unemployment.

Clearly the simplest device for accomplishing part of this result would be to increase the number of days of unemployment in the period for which benefits are payable. An addition of even 1 benefit day to the maximum of 8 originally provided would obviously increase benefits all along the line, and would also provide for a greater relative addition for partial unemployment. Thus a claimant with 15 days of unemployment would have his benefit raised by 12.5 percent, while a claimant with 10 days of unemployment would receive an addition of 33.3 percent.

There is a definite limit beyond which an increase in the number of benefit days would violate the principles of sound unemployment insurance. In a 15-day period this limit is 10 benefit days; the remaining days will include 2 Sundays and 2 Saturdays and 1 other day, which may also be a Saturday or a Sunday. To provide for 11 benefit

days would mean the payment of benefits to some fully employed persons who regularly work a 5-day week. This problem cannot be solved by a statutory exclusion of Sundays, because in an industry in which the most important departments operate continuously the normal day of rest for some employees will not fall on a Sunday.

The limit can be pushed a little farther in a 14-day period, which always includes only 2 Sundays and 2 Saturdays and for which it is possible to provide that benefits be payable for all days of unemployment in excess of 4. Such a provision would moreover abolish insofar as practicable the difference between compensation for partial and for total unemployment: a 5-day per week worker who was unemployed for only a part of the 14-day period would be compensated for his wage loss in practically the same proportion as if he were totally unemployed throughout the period. This result could be accomplished even better in a 7-day period with a maximum of 5 benefit days; but, apart from doubling the claim load and the consequent addition to the administrative expense which a 7-day benefit period would entail, such a change would require too drastic a departure from the established registration and claims-taking routines.

The first change recommended was accordingly that a registration period of 14 days with a maximum of 10 benefit days be substituted for a half month of 15 days with a maximum of 8 benefit days. The effect of this change is to raise benefit levels for all employees. The amount of increase is approximately 43 percent for total unemployment in a period of 14 consecutive days, and an average of about 86 percent for cases of 8-13 days of unemployment. In addition, benefits are payable to employees who have 5-7 days of unemployment, to whom benefits are denied by the original formula. The equivalent weekly benefit for total unemployment would by virtue of this change range from \$8.75 to \$15.00, with 4 intermediate rates spaced \$1.25 apart.

Change in daily benefits.—This change in the number of benefit days would provide fairly satisfactory benefit rates for employees whose full-time weekly wage is between \$18 and \$25. Employees with weekly wages of \$18 to \$20—the number whose wages are below \$18 is relatively so small that they need not be considered here—would require only 10 weeks of full employment

in the base year to become entitled to a weekly benefit approximating half their wage. Employees whose wages range from \$21 to \$25 would qualify for a benefit compensating half of the wage loss if they had about 6 months of employment in the base year. For workers with more employment in the base year, the weekly benefit would be somewhat larger, but in no case would it approach dangerously close to the full-time wage. The benefit would exceed 60 percent of the wage only for employees whose wage was less than \$23 if their employment in the base year exceeded 36 weeks. Under no circumstances would the benefit reach 70 percent of the full-time wage.

For employees with wages over \$25, application of the benefit rates provided in the original act to the 14-day period with a maximum of 10 compensable days would produce far less adequate results. Employees with wages of \$26 to \$30 would require a minimum of about 36 weeks of full employment in the base year to entitle them to a weekly benefit approximating one-half of the wage. Employees with wages exceeding \$30 could not in any case become entitled to a weekly benefit equal to 50 percent of the wage, because the maximum benefit is set at \$30 for 14 days, or \$15 per week. As may be seen from table 3, the number of such workers and their proportion of the total is by no means small, even if it is assumed that unemployment among workers with base-year earnings of \$2,000 or over is so insignificant that it should for practical purposes be disregarded. More than 13 percent of the total eligible employees of class I railroads have a full-time weekly wage of \$25 to \$29, and more than 47 percent a wage of \$30 or greater. To provide adequate weekly benefits for these groups an increase in daily benefit amounts is required.

After some experimentation it was recommended that the daily benefits for employees with base-year compensation of \$1,000 or over be changed as follows:

Base-year compensation	Daily benefit amount	
	Original	Recommended
\$1,000-1,024.....	\$2.50	\$3.00
1,025-1,299.....	2.75	3.00
1,300-1,599.....	3.00	3.50
1,600 and over.....	3.00	4.00

This change would permit weekly benefits of \$17.50—nearly as high as the highest maximum in State systems, which is \$18.00—and even of \$20.00. Although barely affecting employees with weekly wages of \$25 or less, the change would materially improve the position of the groups with weekly wages from \$26 to \$40. The benefit for employees with wages of \$26 to \$30, for which they would be qualified by 36 weeks of base-year employment, would range from 52 to 58 percent of their wage loss. About the same amount of employment would entitle employees with weekly earnings of \$31 to \$40 to a benefit ranging from 45 to 57 percent of the wage loss. Even employees whose wages range from \$41 to \$50 would be qualified by the same amount of employment to a benefit compensating 40 to 49 percent of their weekly wage loss. A summary showing the qualifying amount of base-year employment required for a benefit equal to at least 40 percent of the weekly wage, and the ratio of benefit to wage loss for different base-year compensation classes under this proposal is presented in table 4.

It is interesting at this point to examine the effect of the two recommended changes in the benefit formula on the comparison with benefit levels in the States discussed in connection with table 1. These changes would substantially equalize weekly benefits under the railroad system and those in the States, as may be seen from the following figures:

Base-year compensation	Average State rate	Rate under RUIA	
		Old	New
Total.....	\$11.90	\$9.25	\$12.20
\$150-199.....	5.75	7.00	8.75
200-474.....	9.50	8.00	10.00
475-749.....	12.50	9.00	11.25
750-1,024.....	14.25	10.00	12.50
1,025-1,299.....	15.00	11.00	15.00
1,300 and over.....	15.25	12.00	¹ 19.05

¹ Obtained by the use of weights proportionate to number of class I railroad employees with credited compensation for 1938 of \$1,300-1,599 and of \$1,600-1,999.

It is also important to note the effect of these changes on the ratio of benefits to wages by occupational groups. For the skilled crafts the new ratios will be from 41 to 43 percent as compared with 30 to 32 percent under the original benefit schedule. For other manual workers the old range

Table 3.—Distribution of employees of class I railroads with credited compensation of \$150-2,000 for 1938, by amount of full-time weekly wage¹

Full-time weekly wage	Number ²	Percent
Total.....	790,806	100.0
Under \$18.....	30,286	3.8
18.00-19.99.....	155,811	19.7
20.00-24.99.....	127,716	16.2
25.00-29.99.....	107,096	13.5
30.00-34.99.....	197,689	25.0
35.00-39.99.....	105,084	13.3
40.00-44.99.....	43,434	5.5
45.00-49.99.....	11,784	1.5
50.00 and over.....	11,906	1.5

¹ Full-time wage estimated from average hourly or daily earnings for 1938 as calculated by the Interstate Commerce Commission, on assumption of a 48-hour or 6-day week for all occupations except skilled crafts in maintenance of way and structures and in maintenance of equipment and their helpers and apprentices; for these groups a 40-hour week was assumed.

² Number of employees obtained from tabulations of the Railroad Retirement Board; does not include employees whose occupation was not reported or employees in 4 relatively small occupations not recognized as such in the occupational classification used by the Commission.

of ratios from 35 to 43 percent is lifted to a new level of 44 to 54 percent. For white-collar employees the benefit will compensate for 38 percent of the wage loss as compared with 28 percent under the old rates. Only for the junior occupations in the train-and-engine service does the changed schedule fail to raise the average benefit-wage ratio above 31 percent.

Change in potential duration.—The recommended change in the number of benefit days in a registration period clearly required an extension of the potential duration of benefits from 80 days in the benefit year to 100 days. The act originally provided benefits for 10 half months of total unemployment; under the proposed formula 10 registration periods of total unemployment would entail benefits for 100 days. Failure to extend duration would therefore amount to a reduction in the duration of benefits granted in the original act, a result which was scarcely consonant with the purpose of the amendments. Accordingly it was proposed that the limitation on benefits in a benefit year should be reworded to provide for a maximum of 100 daily benefit amounts instead of 80.

In fact a consideration of the experience in the first year of operation led to a proposal for an independent change in the duration provisions. As shown above, the duration of benefits under the railroad act, which is somewhat longer than the maximum so far adopted in most State systems, was merely a theoretical advantage for at least two-thirds of the claimants under the favorable employment conditions in 1939-40. True, if the

volume of unemployment had been larger, more use would have been made of the long duration; this fact, however, does not detract from the validity of the statement that, in some years at least, the extended duration of benefits is a right not likely to be exercised by the great majority of the eligible unemployed.

This conclusion necessarily leads to a reconsideration of the argument which was originally advanced for a 5-month benefit period in the year. The justification was in terms of concentration of unemployment in certain groups whose annual amount of unemployment tends to be great. The argument, however, fails to distinguish between the various types of unemployment peculiar to the different groups in the industry. For the track and bridge-and-building departments unemployment is largely seasonal in character, and for many employees, particularly in the northern regions, it extends over a number of months in the year. For shop employees unemployment is, under normal conditions, intermittent, with some tendency to concentrate toward the end of months or quarterly fiscal periods. Usually unemployment in the junior occupations in the train-and-engine service is equally sporadic; it also reflects to some extent the seasonal fluctuations in freight and passenger movements. Among the station forces unemployment is important only for freight handlers, where a certain amount of casual and spread-the-work employment is found. Except in the track and bridge-and-building departments, therefore, prolonged unemployment is usually infrequent. It attains really large proportions, however, in periods of depression and affects particularly the shops and the junior train-and-engine occupations. For these groups a long duration of benefits, although not generally used in good times, becomes an extremely valuable asset when railroad business is slack. Generally speaking, such employees could in most years well do with shorter duration than that provided in the act, but would require considerably longer duration in some years.

Primarily to accommodate this type of case, a proposal was developed to permit the carrying over of unused benefit rights from one benefit year into the next. As finally recommended, this change would set the maximum number of days in the benefit year at 100 plus an addition, not exceeding 50 days, equal to the difference between 100 and

the number of days for which benefits were drawn in the preceding benefit year. This right would of course be limited to those eligible for benefits in both the preceding and the current benefit years. The proposal amounts to a definition of potential benefit duration in terms of 2 successive years, with a limit of 200 days for the 2 years taken together and a limit of 100 to 150 days in the second year depending on the number of benefit days in the first year. It is somewhat similar to the British provision of additional days beyond the 26 weeks' normal duration, and to the additional benefits incorporated in some of the early State statutes in this country but repealed as unworkable before benefit payments began. Unlike these State provisions, however, which required wage and benefit records over a period of 5 years, the carry-over proposal could be readily administered because it requires nothing more than a de-

termination of eligibility for 2 years and a record of the number of daily benefits drawn in the preceding year.

This proposal, it was felt, would prove of definite assistance not only in periods of severe cyclical decline. It would be equally helpful in individual cases in which the pattern of unemployment is affected by special conditions, and also for groups of workers who may be displaced because of technological innovations, consolidation or coordination of facilities, and abandonment of operations. Moreover, it would tend to mitigate the rigidity of a uniform benefit year, the adoption of which was recommended on other grounds, and to offset in part the restriction of benefit rights entailed for some employees in the substitution of a uniform for an individual benefit year.

Change in the waiting period.—As stated above, the waiting-period requirement in actual operation

Table 4.—Ratio of benefit to wage and amount of required employment in base year for employees classified by amount of full-time weekly wage and amount of base-year compensation, under the Railroad Unemployment Insurance Act as amended in 1940¹

Full-time weekly wage	Base-year compensation and weekly benefit classes													
	\$150-199 (\$8.75)		\$200-474 (\$10.00)		\$475-749 (\$11.25)		\$750-999 (\$12.50)		\$1,000-1,299 (\$15.00)		\$1,300-1,599 (\$17.50)		\$1,600 and over (\$20.00)	
	Percent of full-time wage	Weeks of base-year employment required	Percent of full-time wage	Weeks of base-year employment required	Percent of full-time wage	Weeks of base-year employment required	Percent of full-time wage	Weeks of base-year employment required	Percent of full-time wage	Weeks of base-year employment required	Percent of full-time wage	Weeks of base-year employment required	Percent of full-time wage	Weeks of base-year employment required
18.....	49	8	56	11	63	26	69	42						
19.....	46	8	53	11	59	25	66	39						
20.....	44	8	50	10	56	24	63	38	75	50				
21.....	42	7	48	10	54	23	60	36	71	48				
22.....	40	7	46	9	51	22	57	34	68	45				
23.....			44	9	49	21	54	33	65	43				
24.....			42	8	47	20	52	31	63	42				
25.....			40	8	45	19	50	30	60	40	70	52		
26.....					43	18	48	29	58	38	67	50		
27.....					42	18	46	28	56	37	65	48		
28.....					40	17	45	27	54	36	63	46		
29.....							43	26	52	34	60	45		
30.....							42	25	50	33	58	43		
31.....							40	24	48	32	57	42	65	52
32.....									47	31	55	41	63	50
33.....									46	30	53	39	61	48
34.....									44	29	52	38	59	47
35.....									43	28	50	37	57	46
36.....									42	28	49	36	56	44
37.....									41	27	47	35	54	43
38.....									40	26	46	34	53	42
39.....											45	33	51	41
40.....											44	33	50	40
41.....											43	32	49	39
42.....											42	31	48	38
43.....											41	30	47	37
44.....											40	30	45	36
45.....													44	36
46.....													44	35
47.....													43	34
48.....													42	33
49.....													41	33
50.....													40	32

¹ Table limited to base-year employment required to qualify for benefit equal to at least 40 percent of weekly wage. Obviously, at each wage listed,

employees may qualify for lower benefits with shorter periods of employment in the base year.

was equivalent to 3 weeks, which was longer than that provided in most State laws. In addition the waiting period was discriminatory, since some employees were not compensated for 15 days of unemployment while others, whose unemployment was intermittent, could have as few as 8 days which were noncompensable. The waiting period was particularly hard on employees with 2 or more half months of continuous unemployment; these had to wait as long as 37 or 38 days for their first benefit check, the last week of the period being required for adjudication and transmission of documents in the mail. The situation of these employees would be improved by making some benefits payable for even the first period of unemployment. This result could have been accomplished by applying to the proposed benefit formula the principle underlying the original requirement. The resulting waiting-period provision would amount to granting benefits for the first registration period for every day of unemployment in excess of 11, or a maximum of 3 daily benefits. No independent liberalization of the waiting period would have been involved in such a provision, because the number of noncompensable days is merely the sum of half the maximum number of days of unemployment in the period—the original minimum requirement—and of the regular number of noncompensable days in any registration period. The experience of the first year, however, was such as to suggest that liberalization was both desirable and practicable. For this reason the change in the waiting-period requirement finally recommended was that in the first registration period benefits should be payable for each day of unemployment in excess of 7, and that a first registration period with only 7 days of unemployment should be accepted for waiting-period credit.

This requirement would permit the payment of benefits for even the first registration period to claimants who were unemployed for more than half the number of days. For such claimants the noncompensable waiting time would be limited to 3 days. However, for other claimants the requirement would in fact be more stringent, because no benefits would be payable for any registration periods with less than 8 days of unemployment which precede the first registration period with at least 7 days of unemployment.

Estimate of cost.—The changes in the benefit formula recommended by the Board were estimated to entail an addition of no more than 115 percent to the benefit cost of the formula in the original act. This figure applies to a period covering an entire business cycle. In good years the addition to the cost would probably be considerably smaller and in bad years considerably greater. Since the employment outlook for the next 2 or 3 years is definitely favorable, there was no hesitation in recommending these changes even though the tentative calculation outlined above indicated a limit of approximately 100 percent for the increase in benefits. This estimate of the ratio of benefits to contributions was on the face of it conservative. Moreover, a reliable measure of this type can be obtained only from actual experience. It was felt that in the next few years such experience can be gained under conditions in no way endangering the solvency of the system. This was true not only because of the favorable employment outlook but also because of the large reserve already available, which was more than \$130 million at the end of June 1940. This reserve consisted of more than \$100 million transferred or due from the State unemployment funds, and approximately \$30 million representing the excess of collections over benefit payments in the first year of operation.

The estimated addition to benefit cost was composed of several items. The substitution of a registration period of 14 days with a maximum of 10 benefit days for a half month of 15 days with a maximum of 8 benefit days, with the necessary increase in the maximum number of benefit days in the year from 80 to 100, was estimated to add about 42.8 percent. The changes in daily benefit amounts, affecting as they do only employees with base-year compensation of \$1,000 or more, were estimated to add only about 5.6 percent. Both of these figures were calculated from a sample of records representing the first 4 months of claim and benefit experience. During this period beneficiaries in groups with higher base-year compensation and with intermittent unemployment had a greater weight than in the remaining months of the year. Since the increase in the benefit rights for these groups was greater than for beneficiaries with lower base-year compensation and with total unemployment, it was

apparent, even at the time the calculations were first completed, that the resulting figures overstate the most probable addition to cost.⁴

Similarly, for a year of severe unemployment these figures would overestimate the addition to the cost, because of increases in the number of benefit days in the period and in the daily benefit amounts. In such a year the proportion of registration periods with total unemployment would be much greater than it was in 1939-40; hence the estimate of nearly 43 percent for the increase in the number of benefit days would be too high. At the same time the proportion of beneficiaries in the base-year compensation groups of \$1,000 or over would probably be much larger; hence the estimate of less than 6 percent for the increase in the daily benefit amounts would be too low. However, since the first of these figures is more than 7 times larger than the second, the net effect would apparently be an overstatement of the addition to cost.

No current data were available for a cost estimate for the other proposed changes. The additional cost of the reduction in the waiting period was estimated on the basis of the distribution of unemployed workers by duration of unemployment used in the actuarial calculations underlying the original act. After the duration table was adjusted to agree with the expected exhaustion rate for the first year of operation, it appeared that the additional cost entailed by the shorter waiting period would be about 14 percent. This estimate was applicable to conditions when unemployment was low; in years of severe unemployment the additional cost of a shorter waiting period would be lower.

For an estimate of the cost of the carry-over provision—the addition of a maximum of 50 benefit days in one benefit year for unused rights in the benefit year immediately preceding—reliance had to be placed mainly on a small sample. For these cases the record of earnings month-by-month over the period 1937-39 was processed in such a manner as to yield a measure of the unemployment experienced and a description of its time pattern. The estimate thus obtained is an addition of 25 percent to cost for the average year; in good years the addition would probably be in-

⁴ Estimates based on analysis of the first full year of operation clearly show the overstatement in the original calculation. In 1939-40 the change in the number of benefit days would have added 39.6 percent to the cost, and the change in daily benefit amounts 3.9 percent.

significant, whereas in bad years it might be more than double the average. Although the factual foundation for this estimate was slender, it is probable that it too does not understate cost. The duration table previously referred to shows that the additional cost of extending from 100 to 150 days in the year the potential duration of benefits for all eligible employees would be about 31 percent. The cost of the carry-over provisions should certainly be lower than that of an outright increase in potential duration by 50 percent.

Changes in the Benefit Formula Enacted Into Law

The changes discussed above were supported by representatives of organized labor but were not fully accepted by the representatives of management. The latter were prepared to support the substitution of a registration period with 10 benefit days and the increase in the daily benefit amount for employees with base-year compensation of \$1,000 or more. Opposition was voiced, however, to the reduction in the waiting period, to the apparent extension of potential duration, and most of all to the carry-over provision. The objection to the increase in potential duration to 100 days and to the waiting-period change was grounded largely in the belief that such a change would set standards higher than those accepted in the majority of the State systems. The carry-over provision was attacked as a radical departure from principles of unemployment insurance established in this country and as an addition to benefit rights the full cost of which cannot be accurately estimated. It was also argued that this provision, designed to help the groups that do not as a rule experience any significant amount of unemployment, perverts the purposes of unemployment insurance.

At first the representatives of management proposed also a slight reduction in the daily benefit amounts for employees with base-year compensation of less than \$700. The daily rate proposed was \$1.50 for employees with compensation of \$150-399 (instead of \$1.75 and \$2.00 under original act); \$2.00 for employees with compensation of \$400-699 (instead of \$2.25 for most of this group under original act); and \$2.50 for employees with compensation of \$700-999. However, since the differences were small and since it was obviously desirable to avoid numerous

changes in the external characteristics of the benefit formula, this proposal was withdrawn at the conclusion of the Senate Committee hearings on the amendatory bills.

The general tenor of the arguments advanced by management was that an addition to cost of 115 percent is altogether too drastic to be made after only a year of operation under the law. The changes supported by management entailed an additional cost of about 35 percent, which was held to be about as large an increase as is safe to grant until further experience could be accumulated. There was, furthermore, strong objection to the setting up of standards higher than those accepted in the more progressive and liberal State systems. Such a procedure would presumably put the railroad employees in a privileged class and at the same time unduly burden the industry, because the benefits are financed exclusively through employer contributions. With one-third of the railroad mileage in receivership and net operating income considerably below the level of the 20's, it was argued, the industry should not be required to support a system providing larger and longer benefits than those adopted for the rest of the insurance coverage. If the usual type of benefit can be financed with a contribution lower than 3 percent, then the rate of contribution should be reduced. Such a reduction would have been granted in any event in most State laws with individual employer-reserve or experience-rating features if a separate Federal system had not been created for the railroads.

Consistent with this line of thought, the representatives of management proposed an amendment which would relate the rate of contribution to the reserve in the railroad unemployment insurance account. The contribution rate would remain at 3 percent as long as the reserve, including amounts due though not actually transferred to the account, was less than \$100 million. The rate would be reduced to 2 percent when the reserve was between \$100 and \$125 million and to 1 percent when the reserve was \$125 million or greater. The change in the rate would be made as of the beginning of each fiscal year on the basis of the size of the reserve as of that date. In its original formulation the proposal would have resulted in an immediate reduction of the contribution rate to 1 percent. As a result of the hearings before the Senate Committee the phrasing was modified to assure a contribution

of not less than 2 percent for the fiscal year 1940-41.

Although the proposal was characterized and defended as industrial merit rating, it differs from the type of experience rating incorporated in the laws of a number of States. The major difference is that in the State systems the benefit experience of the employees of each individual employer governs the variation in the employer's contribution rate. In the State laws the measures adopted by the employer to reduce fluctuations in employment and to minimize labor turn-over may be reflected in a reduction of the number of employees becoming entitled to benefits and in a decrease of the amount of benefits per claimant. With industrial merit rating, no such incentive is offered to stabilization of employment by individual employers, for the efforts of one employer may be completely nullified by the policies of another. Because the experience of individual employers is not controlling there is no need to maintain a record of such experience; this factor eliminates the objection usually advanced against merit rating from the standpoint of complexity and costliness of the administrative process. So-called industrial merit rating can therefore be neither justified nor condemned on the same grounds as experience rating in the State systems.

In the amendatory act adopted by Congress the proposals for a sliding scale of contributions and for a carry-over of unused benefit rights from one benefit year to another were eliminated. All the other changes in the benefit formula recommended by the Board were enacted into law, including the two features on which there was no agreement between management and labor—the reduction in the waiting period and the increase in potential duration to 100 benefit days in the year.

Other Amendments to the Act

In addition to modifications in the benefit formula the amendatory act contains other changes which affect the benefit rights of covered employees. These changes are noncontroversial in character and were recommended by the Board primarily with a view to simplifying and reducing the cost of administration. The more important are discussed below.

Changes in the benefit year and base year.—The original act provided for an individual benefit year, beginning with the first day of the first half month for which benefits are payable to an em-

ployee. The base year, however, was uniform for all employees whose benefit year began between July 1 and the following June 30; this was the calendar year preceding July 1. The inconsistency between an individual benefit year and a uniform base year was bound to lead to unnecessary complexities and misunderstanding. One of them was that, for an employee beginning a benefit year in April, May, or June, benefit rights were governed by earnings in a base period removed by at least 1½ years from the period of unemployment; moreover, such determination would be controlling for the entire period of the following 12 months, even though a complete record of earnings for the calendar year following the base year had become available in the meantime.

Another complication was involved in the fact that the right to benefits for any half month of unemployment could be based on earnings in 2 different calendar years, depending on the date when the employee's current benefit year began. Since the date of occurrence of the initial spell of unemployment had no necessary relation to the current spell of unemployment, it was difficult to justify the apparently arbitrary selection of base years. This difficulty was magnified by the procedure, essential for other purposes, of distributing to employees in May and June official statements of compensation and service credited to them for the preceding calendar year. Equipped with such a statement, a worker unemployed in July 1940 could claim with some show of reason that he was entitled to benefits on the basis of wages earned in 1939, even though his benefit year in which the rights were based on 1938 wages had not yet expired; the readiness to press such a contention would of course be greatest in those cases in which the benefits based on 1939 wages were larger or in which the right to benefits based on 1938 wages had been exhausted although the benefit year was still current. The recommendation was therefore made and adopted by Congress that the benefit year be defined uniformly for all employees as beginning on July 1 and ending on the following June 30. The definition of the base year was not changed in principle, since it was uniform in the original act.

The effect of the new benefit-year provision upon the rights of employees varies with the individual's pattern of unemployment and of previous employment. Employees who exhaust their rights for the

year some time prior to July 1 and who under the old definition of benefit year could not have begun a new benefit year for a number of months after July 1, will obviously be better off. Other claimants who draw only a fraction of the maximum benefits before July 1 and whose benefit year under the old law would extend for some months beyond July 1, may be adversely affected if they happen to suffer prolonged unemployment after July 1. It is probable that under normal conditions the net effect of the change is advantageous to the covered employees; in periods of rapid rise in unemployment, on the other hand, the number adversely affected may be large. The carry-over provision discussed above would, if enacted, have neutralized a major share of this uniform lapsing of rights on July 1.

In connection with the new definition of the benefit year, a change in the time at which the waiting period is served was also recommended and adopted. Originally the waiting period could be served at any time within 6 months of the beginning of the benefit year. Under the amended act the waiting period for a benefit year will be served in the benefit year in the first registration period which includes 7 or more days of unemployment. This change will result in considerable simplification, because it eliminates all registrations of workers who are not currently entitled to benefits. By the end of June 1940 nearly 12,000 claims had been received from workers who were not currently entitled to benefits but who might be able to begin in July or subsequent months a benefit year based on 1939 wages. In the period July–September nearly 12,000 additional claims of this type were received from workers who still had a benefit year current although their rights to benefits in such year were exhausted. In many cases two or more such claims were filed by the same individual. This huge mass of unnecessary paper work will be dispensed with because, under the act as amended, a claimant cannot serve before July 1 the waiting period for a benefit year beginning on that date; having served such a waiting period, he does not need to serve any additional waiting time until the following July.

When the amendatory bill was originally introduced in May it was thought that the legislation would be passed in time for the changes to go into effect on July 1. Because of the delay, the effective date of most of the changes was shifted to

November 1, thereby creating a special problem in regard to the benefit year ending on June 30, 1941. This problem has been met by a series of provisions based on the principle that all unemployment which occurred subsequent to June 30, 1940, is to be regarded as though it fell within the benefit year ending June 30, 1941. Employees who have completed a waiting period in half months ended after June 30, 1940, will not need to serve another waiting period before July 1941. Employees who had compensable days of unemployment in half months begun after June 30 and before November 1, 1940, will have these days charged against their rights in the benefit year ending June 30, 1941, whether such benefits were paid on the basis of wages for 1938 or on the basis of wages for 1939.

Changes in definition of unemployment.—A number of changes were made in the definition of various terms which modify the concept of a day of unemployment with respect to which an employee may register and claim waiting-period credit or benefits. The original act specified that an employee may register as unemployed with respect to any day in the week, including Sundays and holidays. When only days of unemployment in excess of 7 in a half month were compensable, there was no temptation to register with respect to Sundays and holidays unless the employee had at least 4 additional days of unemployment. With benefits payable for each day in excess of 4 in a 14-day period, it appears more important to prevent a large volume of Sunday and holiday registrations by persons who may wish to protect themselves in case 1 or more days of actual unemployment are added in the course of the same registration period. For this reason a provision was inserted to disqualify Sundays or holidays as days of unemployment unless the claimant also registered as unemployed on the day preceding and, except at the end of a registration period, also on the day following the Sunday or holiday.

Another change regulates the effect of income from employment or self-employment upon the validity of registration as unemployed. Originally the act provided that no day could be regarded as a day of unemployment if remuneration was payable with respect to such day. Remuneration was defined restrictively as pay for services for hire only (although it specifically included tips).

Thus a claimant who during the lay-off period derived income from some work could be barred from benefits only if he performed the work in the capacity of an employee or on grounds of unavailability for suitable employment.

The first year's experience revealed at least two difficulties in connection with this provision. First, it was apparent that in some cases its literal enforcement resulted in discrimination that could not be justified on any objective consideration of the facts. If an electrician, for example, worked for an electrical contractor, his wage would definitely bar him from benefits; but if he performed the same work directly for the customer or customers of the electrical contractor, the pay received would not be for services for hire and would not make him ineligible for benefits. Second, it was obvious that to disqualify any day on which the man may have earned a few cents as an employee is unduly harsh. This difficulty assumed grotesque proportions in such cases as those of employees who were also officers of local lodges of labor organizations, fraternal organizations, or building and loan associations. The duties attached to these offices required perhaps one evening every week or every other week, but the pay for the services was formally calculated at a small amount per month. A literal interpretation of the law would have disqualified such employees from benefits for the entire month even though they were in fact unemployed in their regular full-time positions.

These difficulties are resolved by the following changes in the law. Remuneration is redefined to include income from self-employment. However, subsidiary remuneration does not disqualify a day as a day of unemployment. Subsidiary remuneration is defined as pay not in excess of an average of \$1 a day for work which can be performed by the employee even while he is in active service on full time in his regular occupation.

Rights of mileage workers.—Under the act as amended in June 1939, any half month in which an employee earned, under a contract of employment providing for compensation on a mileage basis, 8 times his schedule daily rate of pay could not be claimed as a half month of unemployment. This provision, which applied mainly to employees in the train-and-engine service, was justified on the ground that labor agreements supported by long established practice imposed maximum limitations

on the amount of work that any one employee was allowed to perform in the course of a month. Experience in the administration of the act showed that limitations of this type apply also to certain employees in other departments. It was found furthermore that the provision discriminated in favor of workers who performed the maximum amount of work allowed for the month during the first half of the month and were therefore free to register as unemployed in the second half. Difficulty was experienced also in obtaining accurate information on the schedule daily rate of pay. Accordingly the old provision has been reworded to apply specifically to employees in the train-and-engine service, yard service, dining-car, parlor-car and sleeping-car service, and express service on trains. For such employees the disqualification applies to any registration period in which earnings equal at least 20 times the daily benefit amount and also to any registration period which constitutes the second half of a period of 28 days in which earnings equal at least 40 times the daily benefit amount. It is estimated that for this group of employees 20 times the daily benefit is roughly equivalent to 8 times the schedule daily rate of pay.

Registration period for transfers.—The definition of the registration period in the amendatory act

is such that an employee transferring from one claims agent to another must begin a new registration period with the second claims agent even if the registration period with the original agent contains less than 14 days. This change from the original provision, under which the half month was a period of 15 days regardless of the number of claims takers involved, is designed to meet certain administrative difficulties. Under the regulations in the first year a transferring claimant would obtain from the original claims agent the duplicate of a transfer form to be turned over to the second claims agent. The purpose of the transfer form was to facilitate the correct preparation of claims and the matching of the two or more claim forms relating to the same half month. This procedure did not work well. The matching claim form from the second claims agent often contained registrations for an entire new half month, leaving the original claim unmatched. In some cases a large number of claim forms had to be combined in order to account for one half month, and in other cases no matching claim forms were received. The resulting confusion and delay worked to the disadvantage of the claimant and entailed an unjustifiable administrative cost. The obvious way out was to begin a new period with each transfer, a provision now made in the law.

EMPLOYMENT SECURITY

BUREAU OF EMPLOYMENT SECURITY • RESEARCH AND STATISTICS DIVISION

OPERATIONS OF THE EMPLOYMENT SECURITY PROGRAM

Private jobs filled by public employment offices during September approached the all-time high established in October 1939. More than 305,000 jobs with private employers were filled by the Nation-wide employment service system, an increase of 6 percent over September 1939, the previous highest September in the history of the United States Employment Service. In addition, a new record of 275,000 supplementary placements was set this month, reflecting the peak demand for agricultural workers in connection with harvesting operations. The employment offices also completed 47,000 placements in public and governmental service. Seasonal increases in employment and, to some extent, expanding activity in defense and related industries contributed to the increased volume of placements. Largely as a result of the improvement in employment opportunities, the number of workers seeking jobs through the public employment offices declined below the 5-million mark for the first time in nearly 3 years.

Continued claims filed by claimants for unemployment benefits decreased 28 percent to 4.3 million. Benefit payments which declined 29 percent to \$36.6 million in September were the lowest since December 1939. A minimum of 1 million unemployed workers received at least one

benefit payment in September, and the weekly average of benefit recipients totaled 875,400. The sharpest declines in payments were generally reported by the leading industrial States; only 3 of the 47 States with decreases reported declines of less than 10 percent.

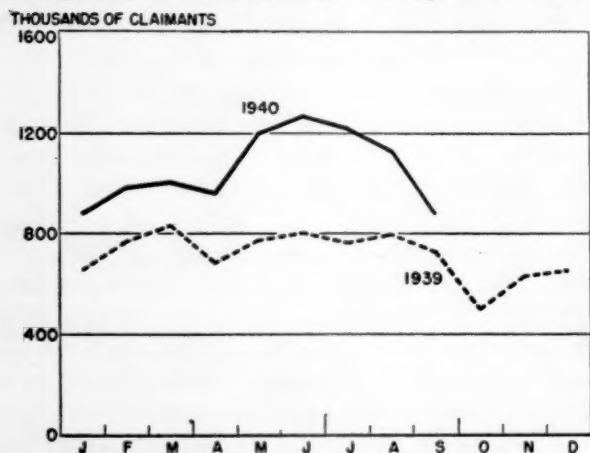
Labor-Market Conditions in September

The national defense program is rapidly getting under way, and significant changes in local labor markets are already developing. Reports from State employment security agencies on developments during September indicate, however, no serious dislocations.

Almost all the States reported some tightening of the labor market during September. Except in a few highly skilled occupations, there was no shortage of labor, although most States reported greater difficulty in meeting demands for skilled workers. Provision was being made in most localities to anticipate future labor needs, and both employers and workers were being guided by the expectation of an upswing in activity as the defense program moves into high gear. Cases were reported of employers who are keeping skilled workers on their pay rolls even though temporarily there is no work demanding their highest skill. Many local employment offices reported that they have standing orders for certain types of highly skilled workmen. Apparently employers are eager to take on qualified machinists and metal workers whenever they become available.

Throughout the country both public and private schools are conducting vocational training courses in occupations considered essential to the defense program. Some States regard these courses as good insurance against future shortages of skilled workmen. Reports from some States indicate that students in vocational training courses are in such demand that they are being drawn into industry before completing their courses. Other States report that the present type of training courses will be of limited usefulness in meeting defense needs. Some employers consider the courses adequate in refreshing rusty skills of workers who have had previous work experience.

Chart I.—Average weekly number of claimants drawing benefits, by months, January 1939–September 1940¹



¹ Benefits not payable in Illinois and Montana until July 1939.

The substantial excess of workers over job opportunities that characterized the last decade is rapidly disappearing. Throughout the country an immediate need for highly skilled machinists and tool and die makers is reported. In ship-building areas there is a shortage of loftsmen and shipfitters. Local shortages of other skilled types are common in a number of States. Some shortages are due to the fact that qualified workers are unwilling to accept the wages offered or are reluctant to leave home to accept available jobs in other communities where the financial inducement is not considered sufficient. Although there is no shortage of unskilled labor, many unskilled workers are accepting jobs for which their experience qualifies them only if the work offers sufficiently attractive opportunities. Difficulty in obtaining domestic help has been aggravated. Farm labor is demanding better wages and working conditions. Some agricultural areas report that the usual number of migratory workers failed to appear this season.

Some modification of employer requirements has been reported by practically every industrial State. Relaxation of age limits and of skill requirements are the changes most frequently reported. The bona fide skilled workman is in demand, regardless of his age; in one instance, it was reported that a man 89 years old was hired by an engineering concern. The selective service program is influencing employers to hire workers who are either younger or older than the conscription age limit; it is also enhancing to some extent the opportunities for women in industry. Many instances are reported of employers hiring less skilled workers than they would have formerly considered. Skilled operations have been broken down into several less skilled parts, or unskilled workers are being trained on the job. Outside of age and skill requirements, however, employers are generally adhering to their former specifications of race, union status, and other personal characteristics. Although not generally a legal requirement, citizenship is practically a prerequisite in defense industries.

States report increased use of public employment offices. Employers who have never before recruited labor through these offices are turning to them now, and other employers who have used them only occasionally are requesting their help regularly. The offices are using press, radio, and

posted notices in recruiting needed workers, and most of them report generous cooperation from labor unions, chambers of commerce, public schools, and civic bodies. Public employment offices are reviewing both their active and inactive files and reinterviewing applicants.

Employment Changes

Increased employment in a number of industries contributed to decreases in claims, according to special reports from State agencies. Employment gains occurred in the following areas and industries: in Maine, in the textile industry, although there was a seasonal decline in the shoe industry; in New Jersey, in textile and needle-trade activities, offset to some extent by decreased employment resulting from the close of the summer season at seashore resorts; in Pennsylvania, in textiles, construction, and canning as well as expanding tool and plant operations in anticipation of Government orders; in Illinois, in building construction, meat packing, and electrical appliances, although curtailed employment was reported in the clothing, shoe-manufacturing, printing and publishing, glass, rubber, and brick industries; in Maryland, in the garment trades; in Alabama, in lumbering, building construction, shipbuilding, textiles, cottonseed and peanut oil, and steel manufacture; in Georgia, in textiles, construction, and agricultural processing; in South Carolina, in the textile industry; and in Oklahoma, in food manufacturing, cottonseed oil, and construction.

Insurance Activities

Nearly 4.3 million continued claims were received in local offices during September, a decline of 28 percent from August and the lowest level thus far this year (table 1). Decreases occurred in 48 States, only 3 of which reported declines of less than 10 percent. Reductions of 63 and 42 percent were shown in Michigan and Indiana, respectively; and decreases ranging from 30 to 40 percent were reported in Kentucky, North Carolina, Texas, Virginia, Washington, and Wyoming. In addition to Michigan and Indiana, each of the leading industrial States reported significant declines from August claim receipts. In Hawaii, on the other hand, claim receipts increased 41 percent over August, largely as a result of curtailment of canning operations.

Beginning with this issue, data will be presented each month on the number of continued

claims for all types of unemployment received weekly (table 2). The weekly average number of

continued claims for all unemployment declined successively in each month since June, reflecting

Table 1.—Continued claims received, weeks compensated, and benefits paid, by States, September 1940

[Data reported by State agencies, corrected to Oct. 23, 1940]

Social Security Board region and State	Continued claims ¹			Weeks compensated					Benefits paid				
	Total number	Percentage change from August	Compensable	Number	Percentage change from August	Type of unemployment			Amount ²	Percentage change from August	Type of unemployment		
						Total	Partial and part-total combined ³	Partial only ⁴			Total	Partial and part-total combined ³	Partial only ⁴
Total.....	4,256,286	-27.9	3,479,093	3,606,641	-28.4	3,235,246	371,395		\$36,594,233	-29.2	\$34,254,331	\$2,321,794	
Region I:													
Connecticut.....	42,110	-27.4	34,248	34,017	-29.1	30,660	3,357	(⁵)	314,369	-27.6	296,207	17,467	(⁵)
Maine.....	35,510	-20.4	30,382	29,880	-24.1	20,694	9,186	(⁵)	197,018	-25.1	140,023	56,995	(⁵)
Massachusetts.....	279,521	-15.4	254,215	244,547	-29.6	244,547	(⁵)	(⁵)	2,491,069	-29.4	2,491,069	(⁵)	(⁵)
New Hampshire.....	22,324	+6.2	12,890	12,318	-22.3	8,933	3,385	(⁵)	93,377	-27.5	77,338	16,039	(⁵)
Rhode Island.....	50,751	-28.6	41,020	41,020	-34.0	32,197	8,823	(⁵)	405,151	-33.0	364,459	40,692	(⁵)
Vermont.....	8,045	+4.4	5,686	5,700	-1.6	5,129	571	461	45,312	-1.0	42,534	2,778	\$2,085
Region II:													
New York.....	677,786	-29.0	560,913	597,772	-30.1	597,772	(⁵)	(⁵)	6,844,990	-29.1	6,844,990	(⁵)	(⁵)
Region III:													
Delaware.....	6,922	-11.7	6,206	6,174	-11.7	3,934	2,240	2,149	46,016	-19.7	35,190	10,751	10,134
New Jersey.....	133,465	-27.2	101,634	96,544	-39.2	96,544	(⁵)	(⁵)	956,733	-38.8	(⁵)	(⁵)	(⁵)
Pennsylvania.....	351,347	-25.4	261,437	272,246	-27.3	272,246	(⁵)	(⁵)	2,926,098	-27.8	2,926,098	(⁵)	(⁵)
Region IV:													
District of Columbia.....	18,871	-8.5	15,719	16,759	+4.6	15,699	1,060	(⁵)	184,612	+14.2	173,406	10,720	(⁵)
Maryland.....	58,007	-29.6	52,217	49,481	-28.4	42,214	7,267	6,828	433,381	-27.5	392,207	40,995	38,045
North Carolina.....	102,328	-32.0	85,119	89,011	-28.2	81,837	7,174	6,592	414,884	-24.6	395,637	18,711	16,389
Virginia.....	55,419	-35.2	51,992	53,559	-34.3	44,139	9,420	7,898	401,885	-35.4	355,466	46,210	36,638
West Virginia.....	44,417	-29.0	36,101	34,755	-39.8	34,352	1,403	(⁵)	290,940	-37.2	287,518	3,422	(⁵)
Region V:													
Kentucky.....	33,986	-32.0	23,556	49,009	-16.7	40,779	8,230	(⁵)	380,875	-14.3	341,985	37,258	(⁵)
Michigan.....	221,419	-63.3	198,272	244,134	-54.5	212,832	31,302	(⁵)	3,033,816	-54.9	2,826,713	207,103	(⁵)
Ohio.....	211,044	-25.7	161,551	166,192	-25.9	134,713	31,479	(⁵)	1,503,015	-28.8	1,359,214	143,801	(⁵)
Region VI:													
Illinois.....	290,812	-21.4	254,077	258,005	-24.6	169,198	88,807	67,519	2,788,820	-27.0	2,163,713	619,089	434,327
Indiana.....	76,857	-41.8	61,748	61,652	-39.1	45,554	13,098	(⁵)	589,355	-44.0	520,527	68,657	(⁵)
Wisconsin.....	38,159	-29.1	28,586	28,102	-31.7	25,529	2,573	1,238	321,901	-33.7	305,088	16,813	6,635
Region VII:													
Alabama.....	61,740	-19.6	65,854	66,163	-15.2	62,462	3,701	2,469	411,022	-14.8	392,797	18,058	11,674
Florida.....	95,037	-15.2	83,970	85,323	-9.0	77,380	7,943	(⁵)	854,492	-8.0	774,859	59,633	(⁵)
Georgia.....	78,386	-22.7	65,308	61,909	-28.1	55,758	6,151	4,910	405,479	-26.1	380,172	23,298	18,832
Mississippi.....	41,409	-15.1	34,924	32,528	-10.5	31,086	1,442	(⁵)	189,827	-12.3	183,284	6,543	(⁵)
South Carolina.....	43,792	-26.1	34,658	36,831	+1.3	31,673	5,158	2,714	238,568	+2.0	215,950	22,444	10,360
Tennessee.....	88,088	-24.7	70,198	70,433	-22.0	63,387	7,066	2,646	508,244	-23.3	477,461	30,783	9,969
Region VIII:													
Iowa.....	35,281	-21.6	25,699	26,469	-14.2	21,628	4,841	1,879	229,762	-12.0	213,749	25,826	8,747
Minnesota.....	55,530	-16.7	48,060	45,429	-24.4	40,736	4,693	(⁵)	445,812	-24.9	410,861	34,951	(⁵)
Nebraska.....	13,793	-12.7	11,742	11,861	-11.0	10,798	1,063	428	106,106	-10.5	98,378	7,728	2,882
North Dakota.....	3,239	-25.9	2,795	2,554	-37.5	2,305	249	98	22,642	-39.3	20,933	1,709	617
South Dakota.....	3,267	-23.9	2,635	2,596	-25.6	2,291	305	(⁵)	18,036	-23.1	16,050	1,922	(⁵)
Region IX:													
Arkansas.....	44,287	-24.6	37,094	37,094	-22.9	34,597	2,497	157	220,147	-23.7	210,335	9,812	784
Kansas.....	20,972	-11.8	12,796	12,944	-12.3	11,276	1,668	822	118,328	-8.3	107,270	11,058	4,990
Missouri.....	93,600	-22.8	60,066	64,885	-18.6	49,394	15,491	10,190	542,637	-22.2	464,948	77,671	47,493
Oklahoma.....	35,064	-14.2	27,279	27,549	-11.3	23,599	3,950	825	257,960	-10.7	232,991	24,969	2,287
Region X:													
Louisiana.....	97,370	-8.8	81,473	80,451	-5.8	75,243	5,208	(⁵)	675,318	+3.3	639,245	35,419	(⁵)
New Mexico.....	13,511	-18.1	11,911	11,690	-9.5	9,726	1,964	1,609	104,376	-10.0	90,724	13,652	10,758
Texas.....	138,672	-30.7	72,390	96,802	-21.4	82,446	14,356	(⁵)	760,950	-19.6	689,649	70,921	(⁵)
Region XI:													
Arizona.....	12,151	-19.5	9,489	9,443	-18.7	8,928	515	31	101,982	-18.3	97,984	3,998	162
Colorado.....	25,573	-29.8	22,527	23,373	-29.7	20,218	3,155	2,189	233,536	-32.2	209,915	23,459	15,591
Idaho.....	8,035	-28.0	6,273	7,186	-18.8	6,629	557	(⁵)	72,759	-18.3	68,353	4,397	(⁵)
Montana.....	15,026	-15.9	12,508	11,705	-21.4	11,705	(⁵)	(⁵)	128,591	-20.1	128,591	(⁵)	(⁵)
Utah.....	17,227	-10.3	14,541	14,302	-11.2	13,112	1,190	192	148,626	-14.7	140,638	7,988	1,265
Wyoming.....	4,675	-34.5	3,859	3,826	-34.4	3,011	815	519	45,164	-33.7	38,206	6,958	3,990
Region XII:													
California.....	356,516	-12.6	317,683	315,258	-14.5	274,248	41,010	25,564	4,414,858	-14.0	4,033,246	375,735	227,521
Nevada.....	5,684	-9.1	4,948	4,325	-18.9	3,984	341	135	55,703	-18.5	52,542	3,161	1,261
Oregon.....	20,159	-23.6	15,981	15,135	-23.2	12,309	2,826	2,133	173,869	-20.0	152,741	20,890	14,886
Washington.....	38,015	-31.3	32,248	32,653	-35.9	27,983	4,670	(⁵)	398,054	-35.2	358,003	40,051	(⁵)
Territories:													
Alaska.....	5,099	-23.5	4,525	3,364	-44.6	3,273	91	0	45,077	-43.8	44,293	784	0
Hawaii.....	2,988	+40.5	2,090	1,663	+13.2	1,559	104	94	14,700	+7.7	13,998	702	622

¹ Waiting-period claims are represented by difference between total number and number of compensable claims.

² Benefits for partial unemployment are not provided by State law in Montana, New Jersey, New York, and Pennsylvania. In Massachusetts and Mississippi, provision for such payments becomes effective October 1940. Of these States, only Mississippi provides for payments of less than full weekly benefit amount for total unemployment, i. e., part-total unemployment.

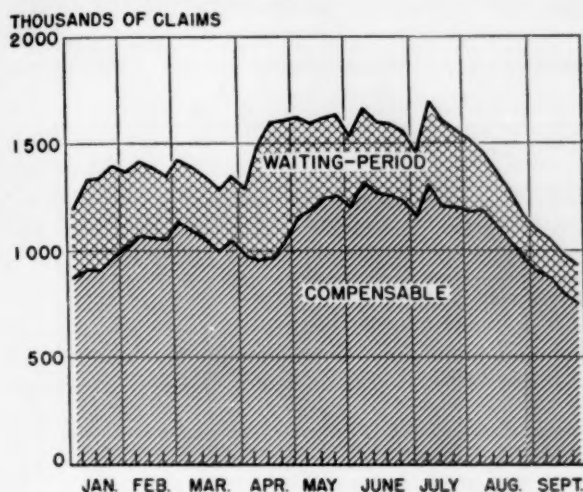
³ Includes supplemental payments, not classified by type of unemployment.

⁴ Data for partial unemployment included with data for part-total unemployment.

⁵ Payments for part-total and partial unemployment are made for benefit periods of 1 quarter. Number of weeks represented by each such payment is determined by dividing payment by claimant's benefit rate for total unemployment.

⁶ Exclude 8 payments amounting to \$140 arising from recalculation of weekly benefit amounts and 38 payments for 80 weeks amounting to \$879 for payment of miners' claims resulting from labor dispute in 1939.

Chart II.—Number of waiting-period and compensable continued claims received, for weeks ended in January–September 1940



the return to work of substantial numbers of claimants as well as the exhaustion of benefit rights on the part of others. During July the weekly average of continued claim receipts totaled 1.6 million, approximately the same as the average number for June; in August, however, the average weekly number declined 14 percent to 1.4 million, followed by a further decline of 25 percent to approximately 1 million in September. From the high of 1.7 million during the week ended July 13, 1940, partly the result of the holiday in the previous week, continued claim receipts declined continuously each week to approximately 930,000 during the last week of September. Declines of 50 percent or more from the July high week to the low week ended September 28 occurred in 13 States, among which were several leading industrial States. On the other hand, the number of continued claims received was greater in the District of Columbia and Hawaii and was only slightly lower than during the midweek of July in Arizona, Kansas, Kentucky, Nebraska, and Nevada.

Declines in the weekly claim load reflect improved economic conditions and to a lesser extent administrative factors. Beginning with the midweek in August, the rate of decrease in the receipt of continued claims from week to week was more marked than it was in the weeks immediately preceding. Despite the continuous decrease for the country as a whole, however, divergent trends occurred during the 13-week period in many of

the States. For example, in Michigan, where many automobile workers were laid off late in June and in July, claim receipts rose rapidly until the second week of August and then declined sharply as claimants returned to employment after retooling had been completed.

For the country as a whole, there was little relative variation in the trend of continued claims for total unemployment as compared with claims for all unemployment, since the bulk of claims filed are for total unemployment. The weekly average of continued claims received for total unemployment in July exceeded 1.4 million, a slight gain over June. In August, however, there was a 15-percent decline to an average of 1.2 million, followed by a further decline of 26 percent in September to 902,000. From the high week ended July 13, when more than 1.5 million workers filed claims for total unemployment, there was a continuous and rapid decline to the last week of September, when only 821,000 claims for total unemployment were received.

Benefit payments to unemployed workers declined 29 percent, from \$51.7 million in August to \$36.6 million in September (table 1). Despite the sharp reduction, the amount disbursed was somewhat higher than in September 1939. The decrease was general, with 47 jurisdictions reporting smaller disbursements than in August. Reflecting chiefly reemployment of automobile workers, payments in Michigan were less than half the August payments, while Alaska and Indiana each reported decreases of 44 percent. The increases in benefit payments in the District of Columbia and South Carolina primarily reflected the initiation of many new benefit years in July, while curtailment of canning operations was mainly responsible for the increase in Hawaii. The slight increase in Louisiana, arising from the reduction of the compensable claims backlog, resulted in a new high for monthly disbursements in that State.

Changes in the number of weeks compensated closely paralleled changes in the amount of benefits paid. More than 3.6 million weeks of unemployment were compensated during the month, a decline of 28 percent from August, with the sharpest reductions generally occurring in the larger industrial States. Weeks of total unemployment declined from 4.5 million in August to 3.2 million in September and comprised 90 percent of all weeks of unemployment compensated, as

Table 2.—Continued claims received for all types of unemployment,¹ by States, for weeks ended in July, August, and September 1940

[Data reported by State agencies, corrected to Oct. 18, 1940]

[In thousands]

Social Security Board region and State	Weekly average			Number for week ended—									
	July		Percent- age change from June	August		Percent- age change from July	September		Percent- age change from August				
	Number	Percent- age change from June		Number	Percent- age change from July		Number	Percent- age change from August		July 6	July 13	July 20	July 27
Type of unemployment:													
All types	1,585.9	-0.5		1,359.5	-14.3		1,014.6	-25.4		1,461.9	1,700.2	1,614.3	1,567.2
Total only	1,430.4	+0.2		1,212.0	-15.3		902.2	-25.5		1,327.8	1,541.8	1,444.1	1,407.9
All types													
Region I: Connecticut	16.3	+8		13.5	-16.8		10.0	-25.9		12.8	18.6	17.3	16.4
Maine	16.1	-10.5		10.7	-33.9		8.4	-18.0		16.0	17.3	16.2	14.7
Massachusetts	96.1	-18.5		78.7	-8.4		61.4	-22.0		100.3	102.6	92.9	88.7
New Hampshire	7.7	-38.9		4.9	-36.8		5.2	-7.1		8.9	9.0	7.2	5.9
Rhode Island	23.0	-31.6		16.8	-29.3		12.1	-26.0		24.8	23.7	20.0	18.0
Vermont	2.2	-16.7		1.8	-33.0		1.9	-6.1		2.2	2.4	2.1	2.0
Region II: New York	344.6	-1.2		296.8	-34.4		161.6	-28.5		345.8	365.3	339.5	327.8
Region III: Delaware	2.3	-4.0		2.8	-19.2		1.6	-10.2		2.0	2.3	2.7	2.2
New Jersey	52.4	-18.8		42.5	-18.8		31.6	-25.2		52.0	55.0	52.6	49.9
Pennsylvania	126.6	+4.1		109.7	-13.3		83.2	-24.7		113.4	162.7	115.3	115.1
Region IV: District of Columbia	4.2	-3.8		4.6	+9.9		4.5	-1.8		4.2	4.1	4.3	4.2
Maryland	25.2	-8.0		19.1	-24.2		13.8	-28.0		25.9	25.7	26.9	22.4
North Carolina	37.4	+10.7		34.1	-8.8		24.6	-27.9		36.3	45.9	40.7	36.8
Virginia	28.2	-9.5		20.4	-27.5		14.2	-30.6		21.8	35.4	29.0	26.7
West Virginia	21.6	+7.3		11.5	-29.2		10.6	-31.0		21.5	21.8	21.7	21.6
Region V: Kentucky	10.4	+11.2		11.3	+10.5		8.2	-29.3		10.7	10.1	11.0	9.6
Michigan	92.8	+64.7		139.7	+50.5		52.9	-62.1		65.4	66.1	111.5	128.0
Ohio	73.0	-8.0		64.1	-12.3		51.6	-19.4		68.6	78.2	74.8	70.5
Region VI: Illinois	113.5	-13.4		85.7	-24.5		69.8	-18.6		108.6	124.8	115.8	105.0
Indiana	31.8	+14.5		29.8	-6.2		19.6	-37.7		22.8	31.6	39.2	33.4
Wisconsin	13.2	+13.8		12.6	-4.6		9.7	-28.4		12.0	14.5	13.5	12.8
Region VII: Alabama	23.0	+8.1		22.4	-2.6		19.7	-12.0		18.6	25.1	24.4	23.8
Florida	26.1	+45.3		25.4	-2.6		22.5	-10.2		30.8	29.5	26.7	27.4
Georgia	24.1	+3.9		22.8	-5.0		19.0	-10.5		21.8	25.9	24.1	24.5
Mississippi	10.0	+12.0		11.1	+10.1		9.9	-10.7		8.7	10.1	10.5	10.8
South Carolina	14.7	+28.8		13.4	-8.3		10.6	-20.9		9.5	16.9	16.3	16.0
Tennessee	29.2	+9.6		27.0	-7.5		21.2	-21.8		24.2	31.6	28.7	32.2
Region VIII: Iowa	10.3	-9		10.1	-1.7		8.6	-13.6		14.2	19.4	16.8	16.2
Minnesota	16.7	-12.9		15.5	-6.7		13.4	-13.6		18.6	16.2	16.2	16.4
Nebraska	3.4	-5.2		3.6	+5.5		3.3	-6.3		3.1	3.6	3.4	3.4
North Dakota	1.3	-11.2		1.0	-21.1		0.8	-25.3		1.4	1.4	1.3	1.2
South Dakota	1.3	-13.1		1.0	-22.1		0.8	-20.4		1.4	1.4	1.3	1.2
Region IX: Arkansas	16.0	+7.7		13.6	-15.2		10.4	-23.1		14.8	17.6	16.2	13.3
Kansas	5.2	-12.4		5.4	+2.2		5.1	-5.6		4.9	5.3	5.3	5.2
Missouri	28.0	-12.4		27.7	-1.3		23.3	-15.6		29.8	31.1	28.0	29.8
Oklahoma	9.3	-1.2		9.3	-4		8.4	-9.9		9.8	9.5	9.4	9.4
Region X: Louisiana	25.1	+8.3		23.9	-5.0		23.7	-6		26.0	27.3	26.1	26.0
New Mexico	3.4	+14.7		3.6	+8.8		3.2	-6		3.7	3.7	3.7	3.7
Texas	42.8	+5.9		40.3	-5.7		33.1	-17.9		41.9	43.6	42.2	42.4
Region XI: Arizona	3.2	+7.7		3.4	+5.0		3.0	-12.2		2.9	3.2	3.2	3.3
Colorado	9.8	+1.2		8.2	-16.0		6.2	-24.1		9.2	10.1	10.0	9.7
Idaho	2.8	-11.7		2.6	-8.3		2.2	-15.6		2.8	3.1	3.1	3.3
Montana	4.3	-15.8		4.1	-5.0		3.6	-11.2		4.3	4.3	4.3	4.3
Utah	4.0	+108.5		4.4	+9.4		4.1	-7.1		4.0	4.4	4.0	4.0
Wyoming	1.8	-17.0		1.6	-13.2		1.1	-28.6		1.6	1.6	1.6	1.6
Region XII: California	103.1	-1.8		93.7	-9.1		84.9	-9.1		109.8	104.1	99.8	98.2
Nevada	7.6	-11.5		1.4	-5.4		1.4	-3.3		1.5	1.5	1.5	1.5
Oregon	16.9	+7.6		5.9	-22.2		4.8	-18.9		8.1	7.0	7.0	7.0
Washington	2.0	+8		1.5	-25.3		9.2	-33.2		18.5	18.6	17.4	17.4
Territories: Alaska	2.0	-4.4		1.5	-24.9		1.3	-13.7		2.7	2.1	2.1	1.6
Hawaii	4	-56.3		5	+9.0		7	+45.1		4	4	4	4

¹ Represents claims for total, part-total and partial unemployment.² Benefits for partial unemployment are not provided by State law in Montana, New Jersey, New York, and Pennsylvania. In Massachusetts and Mississippi, provision for such payments becomes

effective October 1940. Of these States, only Mississippi provides for payments of less than full weekly benefit amount for total unemployment, i. e., part-total unemployment.

in August. In the 46 States issuing payments for partial and part-total unemployment, more than 371,000 such weeks were compensated during September, a decline of 26 percent from the previous month. It is to be expected that the number of weeks compensated for less than full-time employment will continue to decline as expanding industrial operations restore to full employment those workers previously employed on part-time schedules. More than one-third of all weeks of unemployment compensated in Delaware and Illinois and more than 20 percent of all weeks of unemployment compensated in Indiana, Maine, Missouri, New Hampshire, Rhode Island, and Wyoming were for partial and part-total unemployment.

During the first 9 months of 1940 more than \$427 million was disbursed to unemployed workers. This amount represented an increase of 16 percent over January–September 1939 for the 49 States which paid benefits throughout both periods, despite the fact that benefits to railroad workers have not been paid from State unemployment compensation funds since July 1, 1939. To a certain extent, the increases reflect administrative factors and legislative changes rather than economic conditions, although higher earnings in base periods have tended to increase the amount of benefit credits available. Increased disbursements were reported by 34 States, with the sharpest expansions shown in Florida and Oregon, where payments were at least twice those reported in 1939. Increases ranging between 60 and 75 percent were reported by Alaska, Arkansas, California, Massachusetts, New Hampshire, Vermont, and Washington. Of the 14 States reporting decreases in the amounts of payments, the major reductions, ranging from 20 to 30 percent, were shown for Iowa, Michigan, and Pennsylvania. Decreased payments were reported in 3 other industrial States—Indiana, North Carolina, and West Virginia.

To date, unemployed workers have received approximately \$1.3 billion in benefit payments since unemployment compensation programs were initiated by the various States. Half of this amount has gone to claimants in 4 of the largest industrial States—California, Michigan, New York, and Pennsylvania.

The weekly average number of claimants receiving benefits in September declined 22 percent

to 875,000 (table 3), the third successive monthly decrease since the record high of 1.3 million in June. Although the number of claimants receiving benefits in September was lower than in any other month of this year, it nevertheless represented a substantial increase over September 1939. Decreases from August in the number of recipients occurred in 46 States, with the largest decline, 47 percent, reported by Michigan, and reductions of 30 to 40 percent shown in Alaska, Indiana, New Jersey, North Dakota, Rhode Island, Virginia, and West Virginia. Fourteen other States reported decreases of more than 20 percent. The largest relative declines since June—more than 50 percent—have occurred in Hawaii, Maine, New Hampshire, North Dakota, Rhode Island, and South Dakota, and reductions in excess of 25 percent have been shown in practically all the industrial States. The District of Columbia and Hawaii were the only jurisdictions reporting increases in excess of 10 percent.

The number of claimants receiving first payments, exclusive of Indiana and Wisconsin for which comparable data are not available, declined sharply to 260,000, marking the first month this year that the level has fallen below 400,000. To a large extent the decline reflects the seasonal increase in employment in September, as well as the fact that workers are less likely to initiate new benefit years in the latter part of the year. The number of claimants receiving first payments declined in all but two jurisdictions, with only four States reporting reductions of less than 10 percent. Alaska and Michigan each reported declines in excess of 80 percent; in Connecticut and in New Jersey the number was less than half that reported in August. Relatively large decreases—over 40 percent—were also shown by Arkansas, Florida, North Dakota, Tennessee, Utah, and Washington; each of the leading industrial States reported reductions in excess of 25 percent. The sharp increases in Hawaii and Vermont, on the other hand, were primarily attributable to initiation of benefit years by workers separated from employment in industries which normally curtail operations at this time of year.

Approximately 210,000 claimants exhausted benefit rights during September, a decline of 22 percent from August. The sharpest reduction among the 40 States reporting declines occurred in West Virginia, where the flat duration of 14

Table 3.—Average number of claimants receiving benefits, number receiving first payments, and number exhausting benefit rights, by States, September 1940

[Data reported by State agencies, corrected to Oct. 21, 1940]

Social Security Board region and State	Average number of claimants receiving benefits ¹		Claimants receiving first payments		Number of claimants exhausting benefit rights
	Number	Percentage change from August	Number	Percentage change from August	
Total.....	875, 419	-22. 2	259, 896	-45. 7	209, 952
Region I:					
Connecticut.....	8, 312	-22. 6	3, 190	-55. 2	2, 614
Maine.....	7, 171	-20. 6	2, 029	-8. 8	1, 539
Massachusetts.....	62, 828	-11. 7	13, 776	-26. 1	22, 102
New Hampshire.....	3, 014	-14. 5	986	-5. 8	797
Rhode Island.....	9, 795	-31. 2	2, 958	-32. 2	3, 792
Vermont.....	1, 344	+1. 2	612	+49. 6	315
Region II:					
New York.....	141, 977	-28. 0	39, 760	-38. 5	43, 965
Region III:					
Delaware.....	1, 480	-9. 5	608	-21. 0	449
New Jersey.....	23, 603	-31. 0	8, 719	-50. 8	7, 430
Pennsylvania.....	65, 834	-21. 6	29, 109	-28. 7	21, 418
Region IV:					
District of Columbia.....	3, 984	+13. 9	1, 563	-23. 2	437
Maryland.....	12, 360	-19. 3	3, 730	-31. 4	2, 668
North Carolina.....	21, 155	-22. 3	7, 743	-37. 0	2, 397
Virginia.....	12, 910	-32. 0	3, 616	-37. 8	3, 141
West Virginia.....	8, 396	-37. 4	2, 476	-33. 6	2, 320
Region V:					
Kentucky.....	11, 437	-12. 1	3, 920	-1. 3	2, 273
Michigan.....	61, 034	-47. 0	15, 415	-86. 0	5, 407
Ohio.....	39, 182	-26. 3	10, 277	-29. 9	7, 827
Region VI:					
Illinois.....	62, 043	-21. 9	17, 772	-33. 4	13, 264
Indiana.....	14, 969	-33. 3	(²)		(³)
Wisconsin.....	6, 890	-25. 6	(²)		(³)
Region VII:					
Alabama.....	15, 892	-7. 8	3, 908	-39. 8	2, 545
Florida.....	20, 336	-1. 5	4, 084	-48. 9	3, 739
Georgia.....	15, 028	-21. 4	5, 918	-26. 3	4, 632
Mississippi.....	7, 710	-4. 1	2, 935	-22. 7	2, 184
South Carolina.....	8, 870	+8. 3	3, 559	-2. 2	1, 372
Tennessee.....	17, 400	-13. 7	4, 375	-43. 0	2, 993
Region VIII:					
Iowa.....	6, 218	-13. 1	2, 569	-27. 2	1, 810
Minnesota.....	10, 856	-18. 4	3, 025	-37. 3	2, 461
Nebraska.....	2, 792	-5. 6	804	-26. 0	552
North Dakota.....	606	-32. 9	163	-40. 5	359
South Dakota.....	625	-22. 0	170	-13. 7	168
Region IX:					
Arkansas.....	8, 718	-21. 2	2, 563	-42. 0	1, 949
Kansas.....	3, 133	-3. 0	1, 628	-15. 2	1, 047
Missouri.....	15, 385	-13. 1	8, 914	-39. 8	5, 016
Oklahoma.....	6, 500	-9. 1	2, 989	-21. 7	2, 418
Region X:					
Louisiana.....	19, 738	+3. 6	6, 375	-14. 6	5, 091
New Mexico.....	2, 720	-7. 7	755	-34. 5	416
Texas.....	23, 216	-16. 9	8, 627	-29. 5	6, 987
Region XI:					
Arizona.....	2, 281	-12. 3	862	-27. 4	738
Colorado.....	5, 579	-25. 4	1, 333	-35. 7	1, 304
Idaho.....	1, 796	-9. 8	450	-27. 1	370
Montana.....	2, 838	-13. 6	789	-33. 8	548
Utah.....	3, 468	-2. 7	1, 083	-43. 4	552
Wyoming.....	935	-27. 7	281	-30. 3	294
Region XII:					
California.....	78, 816	-2. 6	18, 956	-28. 1	12, 212
Nevada.....	1, 055	-12. 7	318	-16. 5	228
Oregon.....	3, 784	-15. 8	1, 371	-32. 3	1, 107
Washington.....	8, 163	-27. 2	2, 466	-43. 3	1, 665
Territories:					
Alaska.....	841	-31. 2	173	-80. 9	1, 065
Hawaii.....	402	+21. 8	194	+60. 3	105

¹ Represents average number of weeks of unemployment compensated during weeks ended within month.

² Excludes Indiana and Wisconsin.

³ Represents claimants exhausting benefit rights under uniform-duration provisions of State law.

⁴ Includes some claimants whose benefit rights were based on weeks of employment, the method used prior to July 1, 1940.

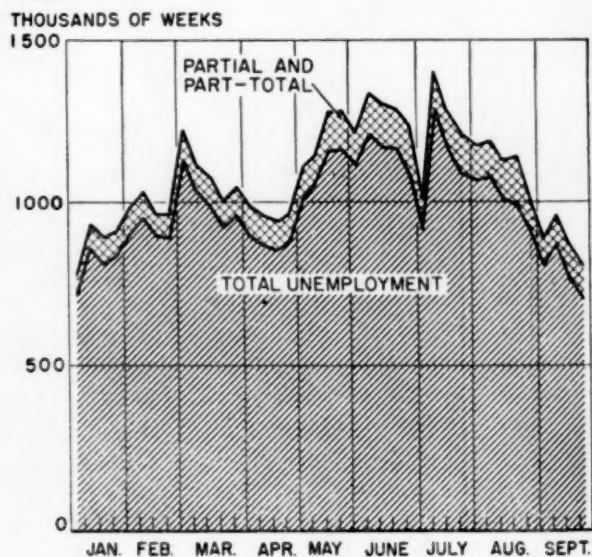
⁵ Excludes miners receiving benefits resulting from a labor dispute in 1939.

⁶ Data not comparable.

weeks after the initiation of the uniform benefit year in April resulted in an unusually large number of exhaustions during August. Decreases of more than 30 percent were reported by 13 other States. Declines in several of these States followed relatively heavy exhaustion rates in previous months arising from the initiation of new uniform benefit years in April. Of the States reporting more exhaustions, the exceptional increase in Utah was attributable to the expiration of the 8-week minimum duration periods of many claimants following the initiation of the uniform benefit year in July. In Alaska the large increase was due to the termination of benefit rights of large numbers of claimants whose benefit years were initiated during May-July, because of unemployment during the salmon-canning season. Notable increases in exhaustions were also reported in Hawaii, Massachusetts, and North Dakota. The number of claimants receiving first payments, for the country as a whole, exceeded claimants exhausting benefit rights by only 50,000, the smallest margin this year. In Alaska, Massachusetts, New York, North Dakota, Rhode Island, and Wyoming, exhaustions were more numerous than first payments.

Approximately 167,000 weeks of unemployment were compensated by interstate payments in September (table 4), a decline of 17 percent from August and, with the exception of January,

Chart III.—Number of weeks compensated, by type of unemployment, for weeks ended January-September 1940



the smallest volume compensated this year. The total of \$1.9 million in benefit payments issued to

Table 4.—Number of weeks of unemployment compensated and amount of benefits on interstate claims¹ received as liable and as agent State, by States, September 1940

[Data reported by State agencies, corrected to Oct. 28, 1940]

Social Security Board region and State	Number of weeks of unemployment compensated on interstate claims received as—		Amount of benefits on interstate claims received as—	
	Liable State	Agent State	Liable State	Agent State
Total.....	166,610	166,610	\$1,878,390	\$1,878,390
Region I:				
Connecticut.....	2,032	2,378	21,880	27,178
Maine.....	859	1,329	6,534	15,537
Massachusetts.....	8,361	4,814	93,873	52,505
New Hampshire.....	1,036	1,439	9,952	15,785
Rhode Island.....	1,440	3,161	16,546	34,139
Vermont.....	321	594	2,922	6,668
Region II:				
New York.....	17,815	9,922	216,072	116,801
Region III:				
Delaware.....	453	447	4,835	4,934
New Jersey.....	3,175	6,639	33,535	78,633
Pennsylvania.....	6,577	7,766	75,758	87,675
Region IV:				
District of Columbia.....	1,830	1,636	22,858	16,900
Maryland.....	2,046	2,223	21,204	23,587
North Carolina.....	3,334	2,448	19,659	24,345
Virginia.....	2,781	3,201	27,646	29,087
West Virginia.....	3,036	1,859	25,615	20,120
Region V:				
Kentucky.....	2,082	3,729	16,664	40,418
Michigan.....	7,271	4,464	96,200	49,333
Ohio.....	5,611	5,170	61,182	59,193
Region VI:				
Illinois.....	10,781	7,167	143,256	80,907
Indiana.....	2,857	3,591	33,472	42,878
Wisconsin.....	545	2,101	6,314	26,056
Region VII:				
Alabama.....	3,460	3,561	26,874	32,572
Florida.....	5,155	4,992	58,447	51,954
Georgia.....	3,284	3,846	25,819	35,952
Mississippi.....	1,484	2,279	11,841	20,862
South Carolina.....	1,230	2,024	10,071	15,218
Tennessee.....	4,289	4,472	37,876	44,532
Region VIII:				
Iowa.....	1,329	1,952	14,138	23,852
Minnesota.....	1,508	2,256	16,271	28,221
Nebraska.....	1,328	985	13,228	11,967
North Dakota.....	359	452	3,521	5,676
South Dakota.....	267	431	2,324	5,100
Region IX:				
Arkansas.....	3,155	3,482	25,020	38,856
Kansas.....	1,844	2,460	18,967	27,814
Missouri.....	3,361	5,428	32,862	62,567
Oklahoma.....	3,055	5,040	31,753	59,788
Region X:				
Louisiana.....	4,528	2,910	50,720	28,282
New Mexico.....	2,405	1,206	26,109	13,515
Texas.....	5,344	8,086	52,113	90,286
Region XI:				
Arizona.....	2,401	1,305	27,506	15,649
Colorado.....	2,705	2,348	28,896	29,382
Idaho.....	1,183	1,424	13,829	18,224
Montana.....	1,868	841	21,840	10,713
Utah.....	1,616	1,150	17,826	15,680
Wyoming.....	866	336	11,943	3,570
Region XII:				
California.....	16,145	18,000	235,961	207,494
Nevada.....	702	915	9,453	12,450
Oregon.....	1,278	3,279	15,731	43,553
Washington.....	3,029	4,670	38,923	60,679
Territories:				
Alaska.....	3,087	177	41,430	2,228
Hawaii.....	102	215	1,126	2,685
Unallocated.....		8		99

¹ Includes claims for partial unemployment for a number of States although such payments are not provided in interstate benefit-payment plan.

² Represents claims received by Washington as liable State for which breakdown by agent State was not reported.

cover such claims comprised 5.1 percent of all payments for the month. As in the previous month, New York received the largest number of interstate claims, 17,800, closely followed by California with 16,100 claims. Illinois was the only other State which compensated more than 10,000 interstate claims. Only 19 States compensated more interstate claims as liable State than they transmitted as agent State. Alaska compensated more than 3,000 claims forwarded from other States but transmitted only about 200 to outside jurisdictions, and Montana and Wyoming compensated more than twice as many claims as they transmitted to other States. In addition, the number of weeks compensated was substantially higher than the number of claims forwarded by Arizona, Massachusetts, Michigan, New Mexico, New York, and West Virginia. On the other hand, Wisconsin transmitted almost 4 times as many claims for weeks of unemployment as it received as liable State, while Hawaii, New Jersey, Oregon, and Rhode Island forwarded between 2 and 3 times as many as they received. Benefit payments on interstate claims accounted for about 9 of every 10 weeks of total unemployment compensated in Alaska, and for more than 2 of every 10 weeks compensated in Arizona, New Mexico, and Wyoming.

Status of Funds

Contributions collected during July–September 1940 from employers and employees subject to State unemployment compensation laws totaled \$208 million, practically the same amount as in the previous quarter (table 6). Relatively slight changes occurred in most States; only 8 showed increases or decreases of 10 percent or more. Increases over the previous quarter in the amount of contributions deposited were reported by 38 States, with the sharpest gains of 98 and 54 percent occurring in Alaska and New Hampshire, respectively. In Alaska the increase was chiefly attributable to the sharp seasonal expansion in industrial activity, while in New Hampshire the gain reflected increased employment in the summer-resort area and collections from employers contributing on a semiannual basis. Contributions rose between 10 and 20 percent in Idaho, Nevada, Oregon, and West Virginia, and a majority of the leading industrial States re-

ported increases. On the other hand, decreases of 10 percent or more were reported only by Florida and Louisiana.

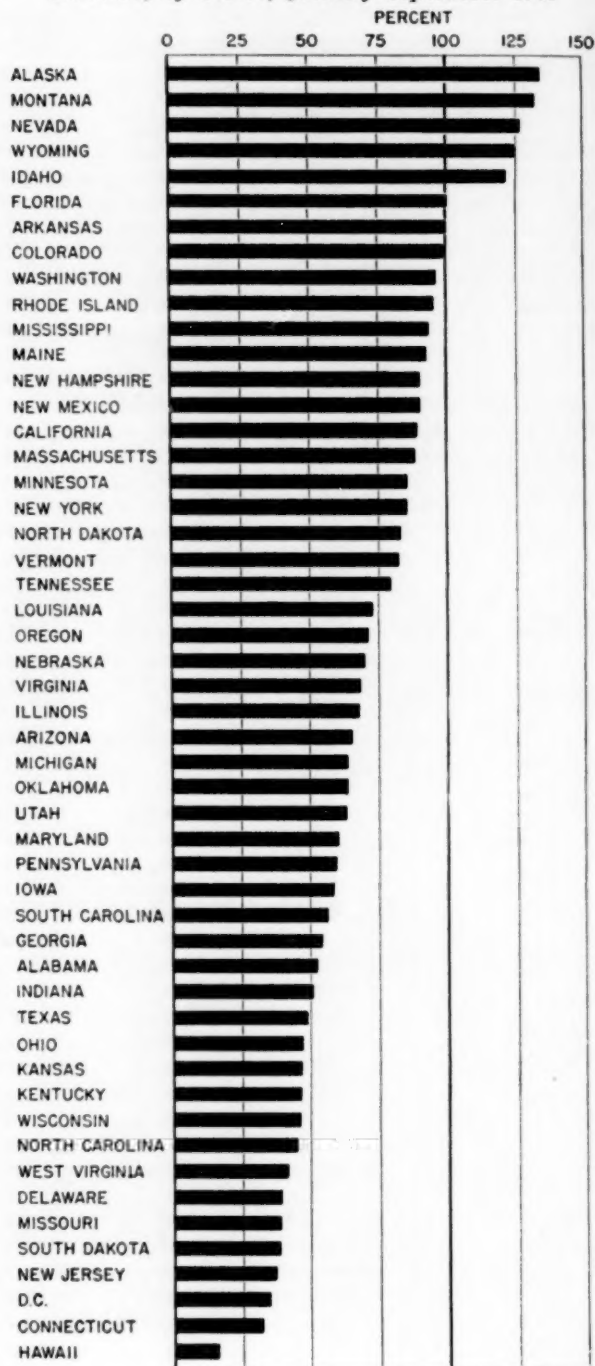
Collections deposited in State clearing accounts in the July-September quarter were 1.4 percent lower than in the corresponding period of 1939, reflecting to a considerable extent the cessation of collections on pay rolls of interstate railroad workers. It should be noted that the third quarter of 1939 was the last in which railroad contributions were received, since collections in this quarter were based largely on second-quarter pay rolls. A majority of the 31 States reporting decreases were located west of the Mississippi, where pay rolls of railroads comprise a substantial proportion of all wages in covered employment. The sharpest decline, 43 percent, occurred in Nebraska; decreases ranging from 14 to 23 percent were shown by Colorado, Kansas, Minnesota, Wisconsin, and Wyoming. The sharpest rises in collections were reported in Alabama, Alaska, Connecticut, Michigan, South Dakota, and West Virginia.

Collections during the first 9 months of 1940 totaled \$641 million, an increase of 1.8 percent over January-September 1939 for the 39 States reporting comparable data in both periods. In general, little variation was noted in the percentage changes between these periods that was not previously indicated in the comparison of the third quarters of both years. In addition to the loss of contributions from railroads, the declines in contributions in Nebraska and Wisconsin, of 30 and 22 percent, respectively, reflected rate modifications resulting from experience-rating provisions in the State law. In Indiana and South Dakota, where experience-rating provisions were effective January 1, 1940, the average contribution rate remained at 2.7 percent for the State as a whole; the amount collected, therefore, was little influenced by that factor.

Benefit payments to unemployed workers during the third quarter of 1940 aggregated \$144 million, a decrease of 4 percent from April-June but an increase of 26 percent over the corresponding period of 1939. Lower disbursements than in the previous quarter were reported by 31 States, most of which were concentrated in fairly well defined geographical areas. Decreases were general in the New England, Middle West, Mountain, and Pacific Coast areas. Declines in excess of 50 percent

occurred in Idaho and New Hampshire, and decreases between 40 and 50 percent were shown for Hawaii, Minnesota, Montana, North Dakota, Oregon, Rhode Island, Vermont, and Wyoming. Of the remaining States reporting decreases, only 3 had declines of less than 10 percent. Although

Chart IV.—Ratio of benefits paid to contributions collected, by States, January-September 1940



States showing increases in benefit disbursements were scattered throughout the country, the greatest concentrations were in the Southern and Gulf States areas. The major expansions among the States in which increases occurred were reported by Florida, Michigan, and Utah. Payments in Michigan more than doubled, mainly reflecting the seasonal shut-down in the automobile industry; an increase of 73 percent in Florida resulted from seasonal unemployment and extension of minimum duration from 5 to 10 weeks; and in Utah the beginning of the uniform benefit year in July was largely responsible for the 51-percent increase in benefit payments. Other notable increases, ranging between 20 and 26 percent, were shown for Alaska, West Virginia, and Wisconsin. In spite of administrative factors tending to increase payments, the majority of the leading industrial States reported declines from the second quarter.

Collections deposited and interest earned on accounts in the unemployment trust fund exceeded benefit payments by \$75 million during the third quarter; approximately \$44 million was also transferred from State accounts to the railroad unemployment insurance account. These transactions resulted in a net increase of 1.8 percent in funds available for benefit payments to more than \$1.7 billion at the close of September. Increases were reported by 32 States, with Connecticut and Oregon showing gains in excess of 10 percent. In those States west of the Mississippi which adjusted for railroad contributions, the amount transferred to the railroad unemployment insurance account represented, with the exception of Texas, at least 10 percent of funds available at the end of June. Colorado, Kansas, Montana, Nebraska, and New Mexico were the only States reporting reductions in excess of 10 percent.

For all 51 jurisdictions the ratio of benefit payments to collections during January-September 1940 was approximately 67 cents on each dollar of contributions received, a slightly higher ratio than for the first 6 months of the year (table 7). Increased ratios were reported by 20 States, the sharpest rises occurring in Florida and Michigan where seasonal unemployment is usually heaviest during the third quarter of the year. The ratio of outgo to income increased in Florida from 73 cents to \$1.01, and in Michigan from 46 cents to

Table 5.—Status of State accounts in the unemployment trust fund, by States, fiscal year 1940-41¹ through September

(In thousands)

Social Security Board region and State	Balance as of June 30, 1940	Fiscal year 1940-41 through September			
		Deposits	Interest received ²	Withdrawals	Balance as of Sept. 30, 1940
Total.....	\$1,692,210	\$200,167	\$10,776	\$192,255	\$1,719,998
Region I:					
Connecticut.....	33,803	4,670	223	³ 1,056	⁴ 37,640
Maine.....	3,739	952	23	1,125	⁴ 3,589
Massachusetts.....	76,186	9,160	469	12,513	⁴ 73,302
New Hampshire.....	5,510	791	36	687	⁴ 5,650
Rhode Island.....	9,176	2,374	61	1,802	⁴ 9,809
Vermont.....	2,683	381	18	150	⁴ 2,932
Region II:					
New York.....	194,392	31,189	1,215	30,850	195,946
Region III:					
Delaware.....	6,464	560	39	653	⁴ 6,410
New Jersey.....	115,117	12,080	737	8,353	⁴ 119,581
Pennsylvania.....	113,087	10,924	733	17,375	⁴ 116,369
Region IV:					
District of Columbia.....	19,174	754	121	1,255	⁴ 18,794
Maryland.....	18,514	3,065	122	2,895	⁴ 18,806
North Carolina.....	21,629	2,472	137	1,450	22,788
Virginia.....	19,249	2,448	121	1,905	19,913
West Virginia.....	15,783	2,604	98	1,600	16,885
Region V:					
Kentucky.....	28,751	2,695	183	1,350	30,279
Michigan.....	59,962	13,502	390	12,900	60,954
Ohio.....	149,056	14,050	949	13,819	⁴ 150,236
Region VI:					
Illinois.....	185,972	16,930	1,179	12,000	192,081
Indiana.....	39,492	5,309	260	5,457	⁴ 39,604
Wisconsin.....	53,362	2,757	335	3,122	⁴ 53,332
Region VII:					
Alabama.....	14,281	2,484	94	1,450	15,409
Florida.....	14,095	1,490	85	2,666	⁴ 13,004
Georgia.....	22,359	2,050	142	1,400	23,151
Mississippi.....	4,268	690	27	630	4,355
South Carolina.....	10,132	1,160	65	700	⁴ 10,657
Tennessee.....	13,969	2,115	88	1,850	14,322
Region VIII:					
Iowa.....	16,189	1,890	103	2,972	⁴ 15,210
Minnesota.....	23,663	2,856	151	4,167	⁴ 22,503
Nebraska.....	10,393	590	65	1,824	⁴ 9,224
North Dakota.....	2,384	220	15	103	2,516
South Dakota.....	3,109	263	20	446	⁴ 2,946
Region IX:					
Arkansas.....	7,100	790	44	840	7,094
Kansas.....	14,811	1,168	95	2,801	⁴ 13,273
Missouri.....	55,575	5,160	390	2,000	59,095
Oklahoma.....	16,105	1,530	103	950	16,788
Region X:					
Louisiana.....	18,411	2,178	115	2,125	18,579
New Mexico.....	2,838	355	18	792	⁴ 2,419
Texas.....	51,491	5,390	329	6,827	⁴ 50,383
Region XI:					
Arizona.....	2,985	529	20	315	3,219
Colorado.....	10,788	1,106	67	2,538	⁴ 9,423
Idaho.....	2,551	483	17	584	⁴ 2,467
Montana.....	5,742	700	37	1,403	⁴ 5,076
Utah.....	3,790	736	25	830	⁴ 3,721
Wyoming.....	2,377	290	15	210	2,472
Region XII:					
California.....	153,752	18,990	981	16,600	157,123
Nevada.....	1,474	232	9	200	1,515
Oregon.....	8,175	1,700	56	575	9,356
Washington.....	21,644	2,705	139	1,900	22,588
Territories:					
Alaska.....	984	172	6	180	982
Hawaii.....	5,674	478	36	60	6,128

¹ Federal contributions from employers have been collectible in all States since Jan. 1, 1938. Reduced contribution rates resulting from experience rating are in effect in Indiana, Nebraska, South Dakota, and Wisconsin. Employee contributions on wages earned are also required by Alabama, California, Kentucky, New Jersey, and Rhode Island.

² Interest is received at end of each quarter of fiscal year.

³ See table 6, footnote 11.

⁴ Adjusted for transfer to railroad unemployment insurance account. See table 9, footnote 12.

Source: U. S. Treasury Department, Office of the Commissioner of Accounts and Deposits.

Table 6.—State unemployment compensation funds available for benefits, cumulative collections and interest, and benefits paid, by States, for specified periods through September 1940

[Data reported by State agencies,¹ corrected to Oct. 28, 1940]

[Amounts in thousands]

Social Security Board region and State	Month and year benefits first payable	Funds available for benefits as of Sept. 30, 1940		Collections ⁴						Benefits paid ⁵			
		Amount ¹	Percent- age change from June 30, 1940 ³	Cumulative through September 1940 ²		October 1939- Septem- ber 1940	July-September 1940		Cumulative through September 1940 ⁶	October 1939- Septem- ber 1940	July-September 1940		
				Collec- tions and interest ⁴	Collec- tions		Amount	Percent- age change from April- June 1940			Amount	Percent- age change from April- June 1940	
Total		\$1,737,698	+1.8	\$3,035,108	\$2,941,971	\$852,349	\$207,982	⁷ +0.7	¹⁰ \$1,251,647	\$512,609	\$144,144	-4.0	
Region I:													
Connecticut	January 1938	¹¹ 37,799	+10.9	60,453	58,777	18,358	4,651	+3.5	21,865	5,358	1,148	-28.9	
Maine	do	¹² 3,642	-3.4	14,228	13,981	4,078	954	-1.8	10,330	3,366	851	-29.6	
Massachusetts	do	¹² 73,965	-3.2	148,546	143,971	38,712	9,156	-2.2	72,269	30,065	9,726	+2	
New Hampshire	do	¹² 5,852	+3.0	12,229	11,859	2,876	776	+53.7	6,149	2,260	415	-59.0	
Rhode Island ¹⁰	do	¹² 9,964	+4.4	32,217	31,578	9,805	2,377	(14)	22,101	8,162	1,868	-47.2	
Vermont	do	¹² 2,950	+9.1	5,444	5,281	1,324	379	+5.4	2,167	883	150	-48.2	
Region II:													
New York	do	197,157	+6	445,503	433,823	129,137	31,167	-6.5	248,346	96,249	31,218	+8.1	
Region III:													
Delaware	January 1939	¹² 6,468	-6	8,346	8,052	2,400	563	-2.8	1,418	845	177	-21.4	
New Jersey ¹⁰	do	¹² 120,769	+4.3	152,753	147,201	47,766	12,109	+2.3	28,232	15,864	4,071	-15.9	
Pennsylvania	January 1938	¹² 118,815	+3.4	287,858	281,316	82,873	19,941	+1.0	163,669	45,187	11,443	-17.3	
Region IV:													
District of Co- lumbia	do	¹² 18,831	-2.5	24,218	23,249	5,865	652	(18)	4,596	1,777	465	+3	
Maryland	do	¹² 18,890	+1.0	41,590	40,655	12,427	3,059	+3.7	21,505	6,602	1,805	-18.0	
North Carolina ¹⁰	do	23,250	+6.0	39,624	38,557	11,244	2,645	-3.4	16,374	4,349	1,467	+8.6	
Virginia	do	20,045	+3.9	35,118	34,103	9,820	2,444	+5.6	15,073	5,676	1,808	+4.2	
West Virginia ¹⁰	do	17,985	+8.6	37,497	36,749	10,479	2,687	+14.6	19,512	3,811	1,357	+25.7	
Region V:													
Kentucky ¹⁰	January 1939	30,539	+5.5	39,133	37,644	10,680	2,677	+5.5	8,593	4,366	1,268	-8.5	
Michigan	July 1938	61,756	+1.2	162,994	159,286	49,109	12,997	+3	101,238	29,409	12,665	+119.1	
Ohio	January 1939	¹² 150,683	+9	202,842	194,991	58,012	14,051	+5	44,495	25,788	5,951	-22.8	
Region VI:													
Illinois	July 1939	193,474	+3.3	246,155	237,243	69,632	16,893	+7	52,681	45,154	11,830	-11.5	
Indiana	April 1938	¹² 39,911	+3	77,314	74,915	21,045	5,312	+1.4	34,545	9,615	2,590	-5.2	
Wisconsin ¹⁰	July 1936	¹² 53,610	-1	74,390	70,699	12,341	2,740	+2.4	¹⁰ 18,909	4,517	1,261	+20.6	
Region VII:													
Alabama ¹⁰	January 1938	15,557	+7.7	31,750	30,965	9,444	2,395	+3.2	16,193	4,617	1,371	+6.3	
Florida	January 1939	¹² 13,211	-7.3	21,851	21,141	6,419	1,493	-10.0	8,474	6,110	2,446	+73.0	
Georgia	do	24,128	+3.5	30,989	29,905	8,682	2,134	+5	6,861	4,358	1,450	+19.2	
Mississippi	April 1938	4,403	+1.4	9,058	8,793	2,557	632	+6.5	4,655	2,076	599	+11.8	
South Carolina	July 1938	¹² 10,757	+5.0	16,132	15,540	4,845	1,160	+3.2	4,704	2,402	717	+9.3	
Tennessee	January 1938	14,565	+2.3	30,305	29,515	8,410	2,063	+4.0	15,741	6,059	1,820	+3.2	
Region VIII:													
Iowa	July 1938	¹² 15,269	-5.9	28,585	27,699	7,729	1,877	+1.8	11,194	3,996	813	-16.4	
Minnesota	January 1938	¹² 22,620	-4.9	48,917	47,585	12,956	2,827	-4	23,780	9,247	1,631	-45.2	
Nebraska	January 1939	¹² 9,276	-11.0	13,543	13,034	3,006	587	+5.6	2,803	1,745	334	-26.5	
North Dakota ¹⁰	do	2,543	+5.3	3,611	3,484	853	216	+8.6	1,067	613	103	-48.1	
South Dakota	do	¹² 2,960	-4.9	4,022	3,859	1,129	261	+7.4	702	389	75	-29.4	
Region IX:													
Arkansas	do	7,205	-4	11,541	11,163	3,339	778	-2.5	4,335	2,879	851	-17.7	
Kansas	do	¹² 13,316	-10.4	19,657	18,906	4,647	1,158	+6.3	3,916	2,011	373	-25.3	
Missouri	do	59,308	+5.9	70,470	67,904	19,497	4,775	-4	11,162	7,043	1,832	-3.4	
Oklahoma	December 1938	16,907	+4.7	24,206	23,261	6,320	1,500	+1.3	7,299	3,759	851	-11.2	
Region X:													
Louisiana ¹⁰	January 1938	19,274	+1.6	34,420	33,411	9,577	2,173	-11.0	15,146	6,249	1,976	+18.4	
New Mexico	December 1938	¹² 2,446	-14.3	5,072	4,896	1,380	353	+4.4	2,174	1,196	327	+15.9	
Texas ¹⁰	January 1938	¹² 50,629	-2.2	82,927	80,164	21,658	5,390	+1.1	28,070	10,348	2,657	+4.3	
Region XI:													
Arizona	do	3,244	+6.8	7,706	7,532	2,094	525	+2.0	4,462	1,357	339	+5.0	
Colorado	January 1939	¹² 9,453	-12.6	17,939	17,278	4,711	1,096	-1.4	6,958	4,053	998	-21.4	
Idaho	September 1938	¹² 2,528	-2.7	7,104	6,903	1,933	480	+19.0	4,268	1,901	259	-53.5	
Montana	July 1939	¹² 5,313	-13.0	9,769	9,431	2,641	667	+6.9	3,393	3,122	438	-48.1	
Utah	January 1938	¹² 3,710	-3.7	9,546	9,329	2,682	681	+9.3	5,427	1,567	438	+50.8	
Wyoming	January 1939	2,542	+4.4	4,749	4,601	1,191	282	+7.5	2,207	1,252	189	-41.5	
Region XII:													
California ¹⁰	January 1938	159,145	+3.3	271,440	262,569	76,418	19,010	+7.2	112,295	59,812	14,945	-16.0	
Nevada	January 1939	1,548	+3.6	3,231	3,134	910	239	+12.8	1,683	1,078	195	-32.2	
Oregon	January 1938	9,417	+12.8	22,862	22,324	6,503	1,683	+13.5	13,445	4,118	666	-43.2	
Washington	January 1939	22,876	+5.2	36,723	35,496	10,628	2,694	+7.6	13,847	9,076	1,697	-33.0	
Territories:													
Alaska	do	1,006	-1.0	1,816	1,764	587	160	+97.5	810	532	177	+24.3	
Hawaii	do	6,187	+7.8	6,695	6,445	1,920	454	+5.5	509	341	43	-49.9	

¹ Except interest earned on funds in State accounts in the unemployment trust fund, which is credited and reported by the U. S. Treasury in last month of each quarter.

² Represents sum of balances at end of month in State clearing account, benefit-payment account, and unemployment trust fund account maintained in the U. S. Treasury.

³ Not adjusted for transfer to railroad unemployment insurance account during July-September 1940.

⁴ Represents contributions plus penalties and interest from employers and contributions from employees. Figures are adjusted for refunds of contributions and for dishonored contribution checks. Employer contributions of 2.7 percent of taxable wages are collected in all States except Michigan, where

64 cents. The sharpest declines, on the other hand, were shown by Alaska, Idaho, Montana, Nevada, New Hampshire, North Dakota, Vermont, and Wyoming, where employment usually expands during the summer months. In New Hampshire, North Dakota, and Vermont, the ratio had declined to 90 cents or less, in contrast to the January-June period when each had disbursed more than was collected. In addition to Florida, benefit payments during January-September exceeded collections in Alaska, Arkansas, Idaho, Montana, Nevada, and Wyoming; the highest ratio was shown in Alaska where \$1.34 in benefits was disbursed for each dollar of contribution. The lowest ratios of benefits to contributions were shown for Connecticut, Delaware, the District of Columbia, Hawaii, Missouri, New Jersey, and South Dakota; each issued less than 40 cents in benefit payments for each dollar of contributions.

Placement Activities

In spite of the fewer number of working days than in August, complete placements increased 6.6

rate is 3 percent. Beginning Jan. 1, 1940, employers subject to Kentucky law but not to Federal unemployment tax are required to contribute an additional 0.3 percent for administrative purposes. Reduced contribution rates resulting from experience rating are in effect in Indiana, Nebraska, South Dakota, and Wisconsin. See footnote 13 for States collecting employee contributions.

¹ Includes refund of \$40,562,000 by Federal Government to 13 States, Alaska, and Hawaii collected on pay rolls for 1936 under title IX of the Social Security Act. Also includes collections from railroad employers through June 30, 1939.

² Interest represents earnings of State accounts in unemployment trust fund.

³ Adjusted for voided benefit checks.

⁴ Includes benefits paid to railroad workers through June 30, 1939.

⁵ Excludes District of Columbia; see footnote 15.

⁶ Includes \$2,147,000 in benefits paid in Wisconsin prior to Jan. 1, 1938.

⁷ Under provision of Connecticut law, administrative grants equal to preliminary and liquidating amount were transferred to railroad unemployment insurance account and withheld by the Social Security Board. State was permitted to withdraw from unemployment compensation funds amounts necessary for administrative purposes up to amount so withheld. Full amount of \$789,000, due railroad unemployment insurance account, has been withheld.

⁸ Adjusted for transfer to railroad unemployment insurance account: Colorado, \$1,528,000; Delaware, \$461,000; District of Columbia, \$790,000; Florida, \$166,000; Idaho, \$308,000; Indiana, \$2,857,000; Iowa, \$2,122,000; Kansas, \$2,425,000; Maine, \$255,000; Maryland, \$1,195,000; Massachusetts, \$2,313,000; Minnesota, \$2,517,000; Montana, \$1,062,000; Nebraska, \$1,464,000; New Hampshire, \$227,000; New Jersey, \$3,753,000; New Mexico, \$452,000; Ohio, \$7,664,000; Pennsylvania, \$5,375,000; Rhode Island, \$152,000; South Carolina, \$691,000; South Dakota, \$359,000; Texas, \$4,227,000; Utah, \$410,000; Vermont, \$327,000; Wisconsin, \$1,871,000.

⁹ Employee contributions of 1.5 percent of taxable wages are collected in Rhode Island; 1 percent in Alabama, California, Kentucky, and New Jersey.

¹⁰ Decrease of less than 0.1 percent.

¹¹ Data not comparable, because of change from monthly to quarterly contribution basis July 1, 1940.

¹² Contributions are collected on monthly basis in Louisiana, North Carolina, North Dakota, Texas, West Virginia, and Wisconsin. All other States collect, either wholly or in part, on quarterly basis.

Table 7.—Ratio of benefits to collections¹ for specified periods through September 1940

[Data reported by State agencies,² corrected to Sept. 25, 1940]

Social Security Board region and State	Month and year benefits first payable	Ratio (percent) of—			
		Benefits to collections January-September 1940	Benefits to collections October 1939-September 1940	Benefits to collections since benefits first payable	Total benefits to cumulative collections and interest ³
Total.....		66.6	60.1	⁴ 65.5	41.2
Region I:					
Connecticut.....	Jan. 1938	31.8	29.2	50.1	36.2
Maine.....	do.....	92.0	82.5	100.6	72.6
Massachusetts.....	do.....	87.9	77.7	70.3	48.6
New Hampshire.....	do.....	90.0	78.6	80.2	50.3
Rhode Island.....	do.....	95.3	83.2	93.0	68.6
Vermont.....	do.....	81.7	66.7	55.8	39.8
Region II:					
New York.....	do.....	84.7	74.5	73.7	55.7
Region III:					
Delaware.....	Jan. 1939	39.0	35.2	33.8	17.0
New Jersey.....	do.....	36.8	33.2	34.4	18.5
Pennsylvania.....	Jan. 1938	59.4	54.5	77.3	58.8
Region IV:					
District of Columbia.....	do.....	34.6	30.3	26.3	19.0
Maryland.....	do.....	59.5	53.1	67.8	51.7
North Carolina.....	do.....	45.1	38.7	55.9	41.3
Virginia.....	do.....	66.5	57.8	58.4	42.9
West Virginia.....	do.....	41.7	36.4	73.2	52.0
Region V:					
Kentucky.....	Jan. 1939	46.4	40.9	44.9	22.0
Michigan.....	July 1938	63.6	59.9	104.4	62.1
Ohio.....	Jan. 1939	47.4	44.4	44.8	21.9
Region VI:					
Illinois.....	July 1939	67.8	64.8	60.9	21.4
Indiana.....	Apr. 1938	50.6	45.7	71.5	44.7
Wisconsin.....	July 1936	46.1	36.6	⁴ 42.9	25.4
Region VII:					
Alabama.....	Jan. 1938	52.3	48.9	72.8	51.0
Florida.....	Jan. 1939	100.5	95.2	74.1	38.8
Georgia.....	do.....	54.6	50.2	46.8	22.1
Mississippi.....	Apr. 1938	93.4	81.2	78.6	51.4
South Carolina.....	July 1938	57.2	52.8	50.1	29.1
Tennessee.....	Jan. 1938	78.9	72.0	72.1	51.9
Region VIII:					
Iowa.....	July 1938	58.6	51.7	62.5	29.2
Minnesota.....	Jan. 1938	85.0	71.4	66.4	48.6
Nebraska.....	Jan. 1939	69.9	58.0	46.2	20.7
North Dakota.....	do.....	82.7	71.9	65.0	29.6
South Dakota.....	do.....	38.3	34.4	36.4	17.4
Region IX:					
Arkansas.....	do.....	100.2	86.2	72.9	37.6
Kansas.....	do.....	46.9	43.3	43.9	19.9
Missouri.....	do.....	38.5	36.1	32.5	15.8
Oklahoma.....	Dec. 1938	63.3	59.5	67.2	30.2
Region X:					
Louisiana.....	Jan. 1938	73.0	65.2	58.6	44.0
New Mexico.....	Dec. 1938	89.8	86.6	87.6	42.8
Texas.....	Jan. 1938	49.0	47.8	46.3	33.8
Region XI:					
Arizona.....	do.....	64.9	64.8	80.5	57.9
Colorado.....	Jan. 1939	99.4	86.0	81.4	38.8
Idaho.....	Sept. 1938	121.1	98.4	108.2	60.1
Montana.....	July 1939	131.8	118.2	101.1	34.7
Utah.....	Jan. 1938	62.9	58.4	79.8	56.8
Wyoming.....	Jan. 1939	124.5	105.1	98.4	46.5
Region XII:					
California.....	Jan. 1938	88.2	78.3	57.2	41.4
Nevada.....	Jan. 1939	126.3	118.5	103.0	52.1
Oregon.....	Jan. 1938	71.2	63.3	81.2	58.8
Washington.....	Jan. 1939	96.3	85.4	81.8	37.7
Territories:					
Alaska.....	do.....	133.9	90.7	91.0	44.6
Hawaii.....	do.....	15.9	17.8	15.7	7.6

¹ See table 9, footnote 3.

² See table 9, footnote 1.

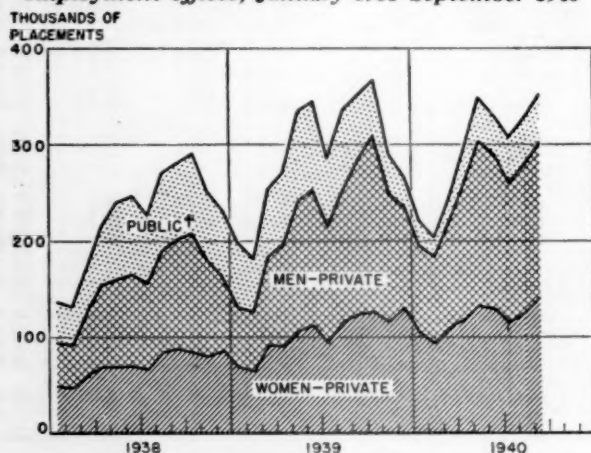
³ Comparisons between States are valid only for those States which initiated benefit payments at the same time.

⁴ Ratio for Wisconsin computed on basis of collections and benefits paid since Jan. 1, 1938.

percent in September to 353,000 (table 8), practically the same volume as in September 1939. The volume of private placements was 1 percent lower than in October 1939, when the all-time high for such placements was established. If, however, adjustment were made for the fewer number of working days in September, the volume of placements this month would represent a new record. More than 162,000 or 53 percent of all private placements were expected to last a month or longer, practically the same proportion as in the preceding month. Increases in private placements for September were reported by 36 States, with August volumes more than doubled in New Mexico and South Carolina, and gains of 75 and 61 percent in Arizona and North Carolina, respectively. The gains in Arizona and New Mexico were largely attributable to sharp increases in agricultural placements, and in North and South Carolina the increases mainly reflected seasonal industrial expansion. Connecticut, New Jersey, and Rhode Island reported expansions ranging between 30 and 40 percent, and several other leading industrial States showed significant increases. Only 9 States reported decreases in excess of 10 percent.

Public employment offices filled 2.3 million jobs in private employment in the first 9 months of

Chart V.—Placements of men and women by public employment offices, January 1938–September 1940



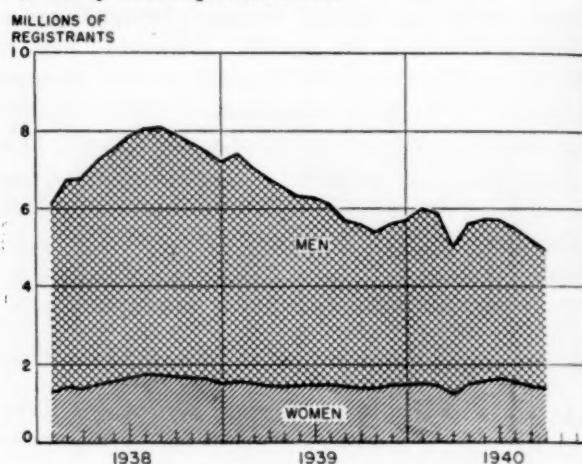
†Over 97 percent of public placements are of men.

1940, a gain of 21 percent over the corresponding period of 1939. Higher volumes of placements were reported in all but eight States, and only two of these showed substantial declines.

Jobs filled in public and governmental work during September totaled 47,000, a decline of 6.1

percent from August and 29 percent from September 1939. Reflecting curtailment in construction activities on public works and relief projects, public placements during January–September 1940 totaled 339,000, only half the volume of such placements for the same period of last year.

Chart VI.—Active file of men and women registrants at public employment offices as of end of month, January 1938–September 1940



Supplementary placements increased 65 percent in September to 275,000. Nearly 257,000 or 93 percent of these placements were in agricultural jobs (table 9). More than 169,000 or 62 percent of all supplementary placements were made by Texas. Fairly large volumes, ranging from 16,000 to 20,000, were reported for Arkansas, California, Oregon, and Tennessee.

The number of workers applying for jobs during September decreased 5.2 percent to 1.2 million. This decline followed that of the previous month, with the result that applications reached the lowest level for any month since July 1939. Decreases were reported by 30 States, with declines ranging between 25 and 37 percent in Ohio, North Dakota, and South Dakota. Only 11 States reported increases of 10 percent or more. The number of job seekers registered for work at the end of September declined 5.7 percent to 4.9 million as a result of increased placements and fewer applications for work, as well as the removal from active files of names of persons who failed to indicate during the month that they were actively seeking work. Decreases were reported in 40 States, with reductions of 17 or 18 percent in Oklahoma, Rhode Island, and Wyoming and of 10 to 15 percent in California, Connecticut, Hawaii, Missouri, South

Table 8.—Placement activities of public employment services for all registrants, by States, September 1940

[Data reported by State agencies, corrected to Oct. 22, 1940]

Social Security Board region and State	Complete placements							Supplemental placements	Applications received		Active file as of Sept. 30, 1940	
	Total	Private					Public		Number	Percentage change from August 1940		
		Total	Percentage change from—		Regular (over 1 month)	Total						Percentage change from January-September 1939
			August 1940	September 1939								
Total.....	352,578	305,245	+8.9	+5.9	162,396	2,294,276	+21.4	47,333	275,342	1,206,808	-5.2	4,913,505
Region I:												
Connecticut.....	7,243	5,998	+35.8	+41.0	4,092	38,090	+29.4	1,245	44	18,213	+4.2	64,008
Maine.....	2,273	1,703	-23.2	+20.8	1,278	14,674	+14.5	570	15	9,265	+14.7	27,112
Massachusetts.....	4,966	4,310	+15.0	+47.6	2,829	29,656	+55.7	656	35	31,903	-5.6	179,643
New Hampshire.....	2,134	1,649	-6.2	+18.0	1,190	14,020	+6.2	485	184	6,848	+5.7	16,888
Rhode Island.....	1,055	989	+38.3	+18.7	658	5,999	-8.6	66	21	9,262	+7.2	39,704
Vermont.....	1,079	986	+16.8	-34.4	393	7,231	+4.6	93	9	2,241	+24.3	11,709
Region II:												
New York.....	35,444	34,154	+12.9	+68.1	17,400	219,422	+57.9	1,290	607	153,085	+13.2	503,948
Region III:												
Delaware.....	1,329	1,172	+19.5	-21.7	621	8,862	-3.2	157	148	3,337	+12.8	9,222
New Jersey.....	11,494	11,198	+31.7	+4.7	6,861	79,342	+14.6	296	119	40,053	+9.6	224,586
Pennsylvania.....	13,883	11,715	+19.8	+43.2	8,123	89,006	+45.5	2,168	784	104,066	-12.0	345,166
Region IV:												
District of Columbia.....	4,185	3,999	+11.2	+16.4	1,878	30,391	+13.4	186	1	11,814	-4.0	26,543
Maryland.....	4,293	3,682	+3.1	+23.0	2,138	29,739	+35.1	611	3	18,580	+4	60,182
North Carolina.....	10,325	8,725	+60.6	+32.6	6,183	46,750	+2.4	1,600	3,214	28,213	+14.9	92,338
Virginia.....	8,642	7,659	+24.5	+50.8	5,674	41,274	+25.8	983	277	17,334	+5	47,988
West Virginia.....	2,691	2,388	-2	-22.2	1,290	20,370	+7	303	141	15,680	-14.7	65,931
Region V:												
Kentucky.....	2,762	2,206	+27.4	-4.7	1,140	19,251	+44.1	556	132	15,339	-15.7	85,107
Michigan.....	13,022	11,196	+4.0	+4.9	6,826	87,159	+20.6	1,826	45	51,594	-19.8	218,051
Ohio.....	18,273	17,195	+21.7	+17.3	10,179	123,917	+40.4	1,078	579	67,316	-37.4	363,428
Region VI:												
Illinois.....	14,303	14,142	+8.7	+14.2	7,607	114,821	+20.1	161	616	54,305	-4	188,973
Indiana.....	9,125	8,794	+21.2	-1	5,392	65,513	+10.3	331	1,300	37,416	-4.4	133,696
Wisconsin.....	7,721	7,174	+4.2	+5.5	4,066	53,411	+13.0	547	612	29,104	+12.0	93,077
Region VII:												
Alabama.....	4,205	3,649	+13.1	-12.2	2,376	34,584	+23.3	556	380	21,179	-7.2	100,500
Florida.....	4,394	2,694	+11.3	+52.2	1,994	20,809	+116.4	1,700	173	18,215	+16.3	65,111
Georgia.....	8,530	6,590	-32.6	-8.7	3,581	62,049	+58.1	1,940	232	20,503	-15.0	153,072
Mississippi.....	4,912	2,575	+18.6	-50.6	1,751	18,537	+15.1	2,337	295	21,942	+13.4	69,883
South Carolina.....	3,839	2,949	+104.2	+36.6	2,143	15,819	+46.2	890	29	8,817	-4.1	47,822
Tennessee.....	5,371	4,851	+6.4	-4.4	3,025	39,605	+26.0	520	19,054	11,359	-18.0	98,555
Region VIII:												
Iowa.....	7,429	5,812	+21.6	-7.2	2,311	44,952	-1.2	1,617	532	14,475	-11.1	64,038
Minnesota.....	7,372	6,458	-4.2	+10.7	2,883	47,598	+20.2	914	411	16,891	-14.4	119,497
Nebraska.....	3,357	2,049	+23.0	+11.7	963	14,333	+20.7	1,308	76	8,835	-14.8	41,355
North Dakota.....	7,048	6,483	-38.8	+75.4	1,114	30,026	+21.5	565	47	8,287	-34.7	23,199
South Dakota.....	2,062	1,247	-15.4	(1)	479	9,059	+3.5	815	121	3,267	-25.2	21,506
Region IX:												
Arkansas.....	3,920	3,448	+27.1	-31.1	1,467	36,244	+9.4	472	19,660	10,812	+15.9	35,372
Kansas.....	5,367	4,189	+29.7	+56.2	1,452	29,170	+73.9	1,178	238	14,374	-13.2	56,534
Missouri.....	8,941	7,733	+5.1	-13.3	4,431	62,482	+48.9	1,208	5,367	33,747	-17.2	157,045
Oklahoma.....	6,033	4,452	+25.9	-20.6	1,193	39,441	+18.3	1,581	2,283	15,342	-4.4	66,259
Region X:												
Louisiana.....	3,387	3,185	+21.7	-26.7	2,204	27,175	-27.4	202	475	23,149	+15.0	97,299
New Mexico.....	2,453	2,151	+147.2	-61.2	876	9,115	-30.2	302	1,245	3,326	-1	33,193
Texas.....	27,690	23,303	+1.2	+2.1	8,063	224,974	+10.1	4,387	169,476	46,112	-10.8	213,949
Region XI:												
Arizona.....	2,625	2,314	+74.6	-20.6	1,509	20,545	+44.8	311	3,253	6,241	+2.4	18,871
Colorado.....	7,791	7,377	-6.2	+15.2	1,901	43,933	+28.4	414	1,114	14,636	+10.0	51,223
Idaho.....	2,411	2,078	-13.2	-8.9	890	19,136	+18.9	333	962	5,790	-13.8	13,413
Montana.....	2,401	1,648	+2.2	+61.4	1,015	11,749	+62.2	753	500	4,201	-12.6	16,784
Utah.....	1,414	1,003	-15.1	-42.4	496	10,290	+4	411	387	6,652	-10.6	21,575
Wyoming.....	1,116	633	-6.6	-29.9	293	4,544	-6.2	483	50	2,691	-15.9	4,939
Region XII:												
California.....	28,208	24,403	+3.0	-1.3	12,790	165,557	-2	3,805	15,952	90,895	+7.2	391,447
Nevada.....	926	818	-24.6	-14.3	415	8,662	+18.9	108	194	2,652	-19.1	5,618
Oregon.....	5,732	4,542	+9.1	-35.3	2,369	35,645	-4.4	1,190	17,886	16,796	-4.4	28,003
Washington.....	5,681	4,771	-3.0	-55.1	2,349	62,663	+19.8	910	5,979	27,500	+1.0	91,676
Territories:												
Alaska.....	635	299	-27.1	+32.3	101	2,275	+58.2	336	12	1,016	-6.6	1,034
Hawaii.....	1,086	507	-18.8	+46.5	144	4,407	+116.3	579	13	2,138	+6.0	7,433

¹ Excludes South Dakota, because State agency suspended operations in August-September 1939.

² January-February of 1939 and 1940 excluded for Florida, because private placement activity was largely suspended in January-February 1939.

³ August-September of 1939 and 1940 excluded for South Dakota, because State agency suspended operations in August-September 1939.

Dakota, and Virginia. Only 1 State, Louisiana, reported an increase of more than 10 percent.

Of the total placements completed by public employment offices during September, 211,000 jobs were filled by men and 142,000 by women (table

Table 9.—Agricultural placements, by States, September 1940

[Data reported by State agencies, corrected to Oct. 22, 1940]

Social Security Board region and State	Total	Complete place- ments		Supplemental place- ments	
		Num- ber	Percent- age change from August	Num- ber	Percent- age change from August
Total.....	292,104	35,264	-3.3	256,840	+81.0
Region I:					
Connecticut.....	250	250	+127.3	0	(1)
Maine.....	93	89	-32.6	4	(1)
Massachusetts.....	99	96	+6.7	3	(1)
New Hampshire.....	76	72	(1)	4	(1)
Rhode Island.....	0	0	(1)	0	(1)
Vermont.....	144	144	(1)	0	(1)
Region II:					
New York.....	1,400	1,395	+31.7	5	(1)
Region III:					
Delaware.....	5	3	(1)	2	(1)
New Jersey.....	166	166	+8.5	0	(1)
Pennsylvania.....	286	278	+180.8	8	(1)
Region IV:					
District of Colum- bia.....	0	0	(1)	0	(1)
Maryland.....	259	259	+172.6	0	(1)
North Carolina.....	2,782	347	+20.1	2,435	(1)
Virginia.....	113	113	-48.4	0	(1)
West Virginia.....	67	67	+34.0	0	(1)
Region V:					
Kentucky.....	92	80	(1)	12	(1)
Michigan.....	652	643	-30.6	9	(1)
Ohio.....	964	924	+134.5	40	(1)
Region VI:					
Illinois.....	897	890	+75.5	7	(1)
Indiana.....	343	341	+179.5	2	(1)
Wisconsin.....	809	757	+1.9	52	(1)
Region VII:					
Alabama.....	879	669	(1)	210	(1)
Florida.....	13	13	(1)	0	(1)
Georgia.....	1,111	998	-32.6	113	(1)
Mississippi.....	949	941	+134.1	8	(1)
South Carolina.....	238	230	(1)	8	(1)
Tennessee.....	19,039	227	+158.0	18,812	(1)
Region VIII:					
Iowa.....	1,045	993	+34.9	52	(1)
Minnesota.....	1,984	1,845	-25.0	139	-74.8
Nebraska.....	222	208	+65.1	14	(1)
North Dakota.....	4,804	4,802	-47.8	2	(1)
South Dakota.....	316	232	-57.0	84	-4.5
Region IX:					
Arkansas.....	20,844	1,319	+52.7	19,525	+811.1
Kansas.....	430	418	+69.9	12	(1)
Missouri.....	5,922	853	+212.4	5,069	(1)
Oklahoma.....	3,768	1,638	+144.1	2,130	+234.4
Region X:					
Louisiana.....	335	25	(1)	310	(1)
New Mexico.....	2,674	1,458	+840.6	1,216	(1)
Texas.....	108,303	211	-46.4	108,092	+53.8
Region XI:					
Arizona.....	4,163	1,006	+312.3	3,157	+331.3
Colorado.....	5,330	4,255	-17.4	1,075	-55.5
Idaho.....	1,581	745	-26.8	836	+8.0
Montana.....	915	522	-14.6	393	+26.4
Utah.....	561	178	-45.4	383	+455.1
Wyoming.....	183	175	-33.2	8	(1)
Region XII:					
California.....	14,741	2,837	-20.4	11,904	+64.5
Nevada.....	109	83	-63.4	26	(1)
Oregon.....	16,613	419	-19.9	16,194	+37.8
Washington.....	5,521	1,036	-28.2	4,485	-12.5
Territories:					
Alaska.....	12	12	(1)	0	(1)
Hawaii.....	2	2	(1)	0	(1)

¹ Not computed, because less than 50 placements were made in either period.

² Increase of over 1,000 percent.

10). Placements of men in private employment totaled 165,000, an increase of 7.5 percent over August but practically no change from September 1939, while private placements of women totaled 140,000, a gain of 11 percent over August and 13 percent over the corresponding month a year ago. More than half the jobs in private employment were filled by men, approximately the same proportion as in the preceding 5 months. Partly because of the relatively large number of agricultural placements made during September, however, the proportion of male placements in jobs expected to last less than 1 month was greater than that shown for women. Almost 52 percent of male placements were in jobs with duration of less than a month, in contrast to only 41 percent for women. As in previous months, the greater bulk of public and governmental jobs were filled by men; women were placed in only 1,500 or 3 percent of the public jobs. Relative increases in private placements over the period January-September 1939 were practically the same for both men and women.

Male job seekers filed 828,000 applications for work during September, a decline of 8.2 percent from the previous month, whereas the number of female applicants increased 2.0 percent over August to 378,000. The active file of male registrants declined 6.1 percent from August to 3.5 million, the smallest volume since November 1937. The active file of women registrants totaled 1.4 million, a decline of 4.7 percent from August and the lowest figure since March 1940.

Allowances and Disallowances

The volume of dispositions declined 36 percent in July-September following an expansion in the preceding quarter when new uniform benefit years were initiated in several of the large industrial States (table 11). Benefit claims of more than 1.6 million workers were ruled upon by the initial authority, 900,000 fewer dispositions than in the second quarter. Approximately 1.4 million unemployed workers were found eligible for compensation on the basis of their past earnings or employment experience, and 240,000 claimants were disallowed benefits. The claims of more than half the ineligible claimants were ruled invalid because of insufficient wages, another 75,000 lacked wage records, and the remaining 17,000 were ineligible for other reasons.

Approximately 15 percent of the total number of claimants filing new claims were declared ineligible for benefits, the same proportion as in the preceding quarter. The highest disallowance rates were reported by Alaska, Florida, Nebraska, Nevada, and New Mexico, in which more than a fourth of the total claimants were ruled ineligible.

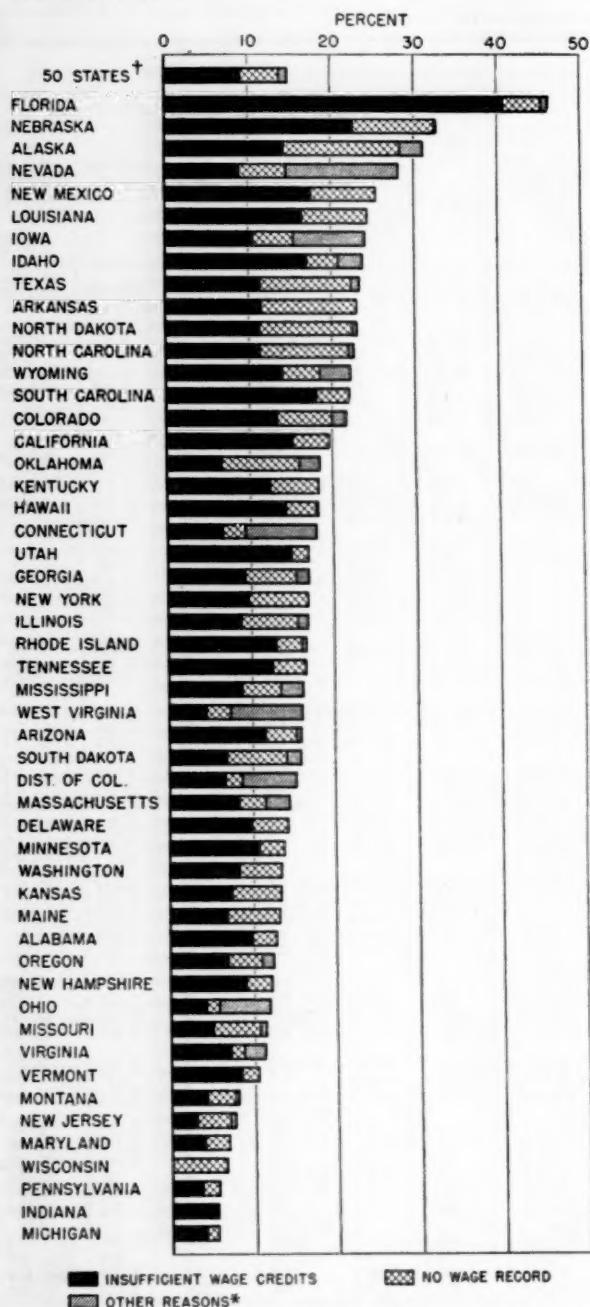
As in previous quarters the principal reason for the disallowance of benefit claims was insufficient wage credits. More than 9 percent of total dispositions were disallowed for this reason, practically the same proportion as in the preceding quarter of 1940 and corresponding period of 1939. Florida again had the highest rate of disallowance

Table 10.—Placement activities of public employment services for men and women, by States, September 1940
[Data reported by State agencies, corrected to Oct. 24, 1940]

Social Security Board region and State	Men						Women					
	Complete placements				Applications received	Active file as of Sept. 30, 1940	Complete placements				Applications received	Active file as of Sept. 30, 1940
	Total	Private		Public			Total	Private		Public		
		Total	Regular (over 1 month)					Total	Regular (over 1 month)			
Total	210,736	164,950	79,535	45,786	828,353	3,520,741	141,842	140,295	82,861	1,547	378,455	1,392,764
Region I:												
Connecticut	5,038	3,821	2,813	1,217	11,220	38,088	2,205	2,177	1,279	28	6,903	25,920
Maine	1,438	884	629	554	5,775	18,610	835	819	649	16	3,490	8,502
Massachusetts	2,656	2,023	1,310	633	18,171	108,124	2,310	2,287	1,519	23	13,732	71,519
New Hampshire	1,674	1,192	885	482	4,298	9,968	460	457	305	3	2,550	6,920
Rhode Island	533	482	339	51	5,617	22,557	522	507	319	15	3,645	17,147
Vermont	657	565	195	92	1,460	7,938	422	421	198	1	781	3,771
Region II:												
New York	14,854	13,613	7,228	1,241	97,534	334,377	20,590	20,541	10,172	49	55,551	169,571
Region III:												
Delaware	534	384	227	150	1,714	5,309	795	788	394	7	1,623	3,913
New Jersey	4,541	4,285	3,211	256	24,431	145,678	6,953	6,913	3,650	40	15,622	78,908
Pennsylvania	7,440	5,413	3,912	2,027	72,707	248,835	6,443	6,302	4,211	141	31,359	96,331
Region IV:												
District of Columbia	1,828	1,669	712	159	6,853	16,062	2,357	2,330	1,166	27	4,961	10,481
Maryland	2,973	2,363	1,382	610	13,177	40,974	1,320	1,319	756	1	5,403	19,208
North Carolina	5,644	4,065	2,488	1,579	19,339	61,934	4,681	4,660	3,695	21	8,874	30,404
Virginia	5,325	4,360	3,190	965	10,449	31,514	3,317	3,299	2,484	18	6,885	16,474
West Virginia	1,310	1,011	522	299	11,905	54,792	1,381	1,377	768	4	3,775	11,139
Region V:												
Kentucky	1,592	1,041	516	551	11,329	68,120	1,170	1,165	624	5	4,010	16,987
Michigan	8,608	6,798	3,782	1,810	39,210	173,939	4,414	4,398	3,044	16	12,384	44,112
Ohio	9,207	8,151	4,172	1,056	47,816	270,306	9,066	9,044	6,007	22	19,500	93,122
Region VI:												
Illinois	7,459	7,349	3,646	110	36,965	130,730	6,844	6,793	3,961	51	17,340	58,243
Indiana	4,863	4,599	2,553	294	25,575	96,221	4,262	4,195	2,839	67	11,841	37,475
Wisconsin	4,283	3,524	2,016	459	20,085	70,041	3,438	3,350	2,050	88	9,019	23,036
Region VII:												
Alabama	2,847	2,297	1,365	550	15,489	50,926	1,358	1,352	1,011	6	5,690	19,574
Florida	3,416	1,723	1,304	1,693	12,983	46,950	978	971	690	7	5,232	18,161
Georgia	6,032	4,140	1,696	1,912	13,150	106,130	2,478	2,450	1,975	28	7,353	46,942
Mississippi	3,909	1,572	1,030	2,337	18,356	55,646	1,003	1,003	721	0	3,586	14,237
South Carolina	2,678	1,797	1,225	881	6,051	36,726	1,161	1,152	918	9	2,796	11,096
Tennessee	2,710	2,197	1,216	513	6,645	66,816	2,661	2,654	1,809	7	4,714	31,739
Region VIII:												
Iowa	4,879	3,332	1,190	1,547	9,842	48,433	2,550	2,480	1,121	70	4,633	15,605
Minnesota	4,686	3,794	1,433	892	11,722	87,888	2,686	2,664	1,450	22	5,169	31,609
Nebraska	2,469	1,203	450	1,266	6,321	32,628	888	846	513	42	2,514	8,727
North Dakota	6,008	5,469	611	539	6,859	17,558	1,040	1,014	503	26	1,428	5,641
South Dakota	1,557	751	247	806	2,516	16,250	505	496	232	9	751	5,256
Region IX:												
Arkansas	2,369	1,900	625	469	8,121	27,495	1,551	1,548	842	3	2,691	7,877
Kansas	3,741	2,587	594	1,154	10,676	45,145	1,626	1,602	858	24	3,698	11,389
Missouri	5,572	4,392	2,244	1,180	21,041	109,950	3,369	3,341	2,187	28	12,706	47,095
Oklahoma	3,944	2,369	336	1,575	11,490	54,275	2,089	2,083	857	6	3,852	11,984
Region X:												
Louisiana	1,354	1,167	772	187	17,594	78,011	2,033	2,018	1,432	15	5,555	19,288
New Mexico	1,781	1,488	637	293	2,589	27,865	672	663	339	9	737	5,328
Texas	17,971	13,673	3,900	4,298	32,533	161,108	9,719	9,630	4,163	89	13,579	52,841
Region XI:												
Arizona	1,660	1,415	1,046	245	4,622	14,821	965	899	463	66	1,619	4,050
Colorado	6,051	5,682	1,006	369	10,270	37,523	1,740	1,695	895	45	4,366	13,700
Idaho	1,672	1,346	490	326	4,695	10,990	739	732	490	7	1,085	2,423
Montana	1,914	1,177	696	737	3,402	13,495	487	471	319	16	799	3,289
Utah	888	501	204	387	4,786	17,503	526	502	292	24	1,866	4,072
Wyoming	922	444	180	478	2,079	3,625	194	189	113	5	612	1,314
Region XII:												
California	16,808	13,197	6,163	3,611	59,727	265,135	11,400	11,206	6,627	194	31,168	126,312
Nevada	697	589	334	108	2,046	4,349	229	229	81	0	606	1,269
Oregon	4,201	3,037	1,491	1,164	13,201	21,903	1,531	1,505	878	26	3,995	6,100
Washington	4,011	3,209	1,429	802	21,478	70,615	1,670	1,562	920	108	6,022	21,061
Territories:												
Alaska	564	235	80	329	926	853	71	64	21	7	90	181
Hawaii	948	375	93	573	1,513	6,012	138	132	51	6	625	1,421

for insufficient earnings—nearly 41 percent—roughly the same proportion as in the preceding quarter but far in excess of the rate in the corresponding period of last year. The increased disallowance rate is chiefly attributable to an amend-

Chart VII.—Percent of new claims disallowed on first determination by reason of disallowance and by States, July–September 1940



†Excludes Wisconsin, because provisions of State law are not comparable.
 *Includes some claims not allocated for disallowance, where provision of State law is not comparable.

ment to the State law effective January 1, 1940, which requires that a claimant's earnings over an 8-quarter period be equal to 60 times the weekly benefit amount to qualify him for benefit payments. About 23 percent of ineligible claimants in Nebraska were disallowed benefits for insufficient wage credits, roughly the same proportion as during April–June 1940 and during July–September 1939.

Nebraska requires a claimant to earn 30 times his weekly benefit amount in 4 out of the last 5 completed calendar quarters before filing his claim. Although South Carolina ranked third in the proportion of disallowances because of insufficient wage credits, its rate declined from 30 percent during April–June to 18 percent during July–September, virtually the same as that in the corresponding period of 1939. Declines from the second quarter in the proportions of claims disallowed for insufficient wage credits were evident in 22 other States, especially in Connecticut, Michigan, and North Dakota. Significant increases, on the other hand, occurred in Alaska, Louisiana, and Rhode Island. In comparison with the period July–September 1939, marked declines in the number of claimants denied benefits because of insufficient earnings were shown in Maryland, Kentucky, Nevada, and Washington. On the other hand, California, the District of Columbia, and Rhode Island each disallowed appreciably greater proportions of claimants for this reason.

Lack of wage records was responsible for the disallowance of approximately 5 percent of the unemployed workers whose claims were disposed of in the third quarter. This proportion was practically the same as in the previous quarter and slightly less than in the same quarter a year ago. The States with the largest proportions of claimants disallowed because wages had not been earned in covered employment were Alaska, Arkansas, Nebraska, North Carolina, North Dakota, and Texas. At least 10 percent of total claimants in each of these States were declared ineligible for benefits for this reason.

One percent of the claims were declared ineligible for benefits for reasons not specified. Nevada reported the highest disallowance rate for "other" reasons, almost 14 percent; most of these disallowances were made on interstate claims because of the failure of claimants to serve their waiting periods before leaving the State.

Connecticut, Iowa, and West Virginia also reported a fairly large proportion of disallowances for other reasons. In West Virginia, claims for partial unemployment are payable on a quarterly

basis, and disallowances arise as claimants earn more than the limit provided in the State law and thus become ineligible for benefits for partial unemployment. Relatively high disallowance rates

Table 11.—Number of new claims¹ disposed of on first determination by the initial authority, number allowed, and number disallowed and percentage distribution by reason for disallowance, by States, July–September 1940

[Data reported by State agencies, corrected to Oct. 21, 1940]

Social Security Board region and State	Total number of disposi- tions on first deter- mination	Number allowed	Disallowed							
			Number	Percent of total disposi- tions	Reason for disallowance					
					Insufficient wage credits		No wage record		All other	
					Number	Percent of total dis- positions	Number	Percent of total dis- positions	Number	Percent of total dis- positions
Total.....	1,618,795	1,378,965	239,830	14.8	146,716	9.2	75,078	4.7	16,759	1.0
Region I:										
Connecticut.....	24,823	20,352	4,471	18.0	1,676	6.8	657	2.6	2,138	8.6
Maine.....	9,722	8,433	1,289	13.2	672	6.9	617	6.3	0	0
Massachusetts.....	66,801	57,183	9,618	14.4	5,591	8.4	2,054	3.1	1,973	2.9
New Hampshire.....	4,757	4,179	578	12.2	433	9.1	145	3.1	0	0
Rhode Island.....	12,342	10,297	2,045	16.6	1,611	13.0	367	3.0	67	.6
Vermont.....	2,216	1,986	230	10.4	188	8.5	42	1.9	0	0
Region II:										
New York.....	210,131	174,686	35,445	16.9	20,295	9.7	15,150	7.2	0	0
Region III:										
Delaware.....	3,154	2,705	449	14.2	313	9.9	136	4.3	0	0
New Jersey.....	61,805	57,049	4,756	7.7	1,841	3.0	2,491	4.0	424	.7
Pennsylvania.....	150,274	141,808	8,466	5.6	5,734	3.8	2,732	1.8	0	0
Region IV:										
District of Columbia.....	8,662	7,351	1,311	15.1	588	6.8	164	1.9	559	6.4
Maryland.....	15,771	14,679	1,092	6.9	631	4.0	461	2.9	0	0
North Carolina.....	73,459	56,728	16,731	22.8	8,349	11.4	7,820	10.6	562	.8
Virginia.....	17,450	15,463	1,987	11.2	1,244	7.1	298	1.7	415	2.4
West Virginia.....	15,575	13,065	2,510	16.1	723	4.6	433	2.8	1,354	8.7
Region V:										
Kentucky.....	17,623	14,393	3,230	18.3	2,201	12.5	1,029	5.8	0	0
Michigan.....	202,344	191,175	11,169	5.5	8,278	4.1	2,805	1.4	86	(²)
Ohio.....	56,908	50,062	6,846	12.0	2,400	4.2	938	1.6	3,508	6.2
Region VI:										
Illinois.....	84,375	70,074	14,301	16.9	7,415	8.8	5,654	6.7	1,232	1.4
Indiana.....	32,894	31,081	1,813	5.5	1,786	5.4	27	.1	0	0
Wisconsin.....	19,469	18,192	1,277	6.6	(³)	(³)	(³)	(³)	(³)	(³)
Region VII:										
Alabama.....	24,882	21,608	3,184	12.8	2,435	9.8	749	3.0	0	0
Florida.....	38,248	29,579	8,669	22.7	15,629	40.9	1,688	4.4	352	.9
Georgia.....	32,492	26,950	5,542	17.0	3,010	9.3	1,992	6.1	540	1.6
Mississippi.....	15,501	12,974	2,527	16.3	1,379	8.9	715	4.6	433	2.8
South Carolina.....	32,117	25,015	7,102	22.1	5,903	18.1	1,299	4.0	0	0
Tennessee.....	27,795	23,170	4,625	16.6	3,502	12.6	1,123	4.0	0	0
Region VIII:										
Iowa.....	14,014	10,642	3,372	24.1	1,494	10.7	665	4.7	1,213	8.7
Minnesota.....	16,661	14,337	2,324	13.9	1,780	10.7	544	3.2	0	0
Nebraska.....	5,183	3,489	1,694	32.7	1,174	22.7	520	10.0	0	0
North Dakota.....	1,113	856	257	23.1	126	11.3	123	11.1	8	.7
South Dakota.....	1,099	924	175	15.9	77	7.0	78	7.1	20	1.8
Region IX:										
Arkansas.....	16,994	13,063	3,931	23.1	1,986	11.7	1,945	11.4	0	0
Kansas.....	7,403	6,413	990	13.4	542	7.3	448	6.1	0	0
Missouri.....	34,940	30,936	4,004	11.4	1,752	5.0	1,995	5.7	257	.7
Oklahoma.....	13,850	11,291	2,559	18.5	926	6.7	1,289	9.3	345	2.5
Region X:										
Louisiana.....	37,051	28,042	9,009	24.3	6,098	16.5	2,911	7.8	0	0
New Mexico.....	4,389	3,270	1,119	25.5	769	17.5	350	8.0	0	0
Texas.....	48,526	37,193	11,333	23.4	5,513	11.4	5,335	11.0	485	1.0
Region XI:										
Arizona.....	5,145	4,329	816	15.9	598	11.6	185	3.6	33	.7
Colorado.....	9,158	7,170	1,988	21.7	1,222	13.4	607	6.6	159	1.7
Idaho.....	2,848	2,167	681	23.9	488	17.1	108	3.8	85	3.0
Montana.....	4,509	4,150	359	8.0	188	4.2	148	3.3	23	.5
Utah.....	7,708	6,399	1,309	17.0	1,143	14.9	164	2.1	2	(⁴)
Wyoming.....	1,907	1,481	426	22.3	269	14.1	85	4.4	72	3.8
Region XII:										
California.....	94,117	75,450	18,667	19.8	14,276	15.2	4,391	4.6	0	0
Nevada.....	2,080	1,496	584	28.1	187	9.0	117	5.6	280	13.5
Oregon.....	7,210	6,318	892	12.4	507	7.0	285	4.0	100	1.4
Washington.....	19,243	16,645	2,598	13.5	1,581	8.2	1,014	5.3	3	(⁴)
Territories:										
Alaska.....	1,056	728	328	31.1	152	14.4	148	14.0	28	2.7
Hawaii.....	1,001	819	182	18.2	142	14.2	37	3.7	3	.3

¹ For definitions of types of claims, see the *Bulletin*, March 1939, pp. 32-34.

² Excludes Wisconsin.

³ Insufficient weeks of employment in base period.

⁴ Less than 0.1 percent.

⁵ Data represent disposition of all initial claims for total and part-total unemployment.

⁶ Data not comparable.

for other reasons in other States mainly reflect actions which would result in disqualifications under most State procedures.

State Amendments

District of Columbia.—An amendment approved

October 17 and retroactive to January 1, 1940, extends coverage to Federal instrumentalities not wholly owned by the United States or not exempt by virtue of any other law. The effect of this amendment is to bring national banks and their employees under the provisions of the District law.

TRANSFER OF FUNDS TO THE RAILROAD UNEMPLOYMENT INSURANCE ACCOUNT IN THE UNEMPLOYMENT TRUST FUND *

The Railroad Unemployment Insurance Act, enacted on June 25, 1938, provides for the payment of benefits on the basis of employment with railroad employers, as defined in the act, with respect to unemployment occurring after June 30, 1939. In all States except Alabama, railroad workers had previously been covered by State unemployment compensation laws, and contributions on their wages had been paid to the State agencies. Contributions of employers covered by the act became payable to the Railroad Retirement Board with respect to employment after June 30, 1939. To provide a reserve for benefits comparable to that accumulated under State laws by the collection of contributions for at least 2 years before the payment of benefits, the act provides for certain transfers from the State accounts to a newly created railroad unemployment insurance account in the unemployment trust fund.

Specific provision was made for the transfer in two amounts—a preliminary amount and a liquidating amount. With respect to pooled funds, the preliminary amount is a proportion of the State balance as of June 30, 1939, equal to the ratio of contributions from railroad employers and employees to total contributions collected and credited to the fund up to that date. With respect to employer-reserve accounts, the preliminary amount is the balance of the reserve accounts of railroad employers as of June 30, 1939. The liquidating amount represents all contributions from railroad employers and employees under State unemployment compensation laws during the period July 1—December 31, 1939, with respect to employment prior to July 1, 1939. The amounts to be transferred were to be determined

by the Social Security Board after agreement with the Railroad Retirement Board and consultation with the States. States were to authorize the transfers by the later of two dates: 30 days after the close of their legislative sessions at which the transfers were authorized, or July 1, 1939 (for the preliminary amount) and January 1, 1940 (for the liquidating amount).

The act provides also that, unless the State agency authorizes the transfer of these amounts from its account in the unemployment trust fund within the period specified in the act, the Social Security Board shall withhold administrative grants up to a total equal to the preliminary and liquidating amounts, plus interest from July 1, 1939, and January 1, 1940, respectively. If such grants are withheld, the State is permitted to withdraw from its account in the trust fund, for administrative purposes, sums equal to the total withheld by the Social Security Board.

To finance benefit payments until contributions of employers and transfers from the State accounts become available, the Secretary of the Treasury is empowered to advance up to \$25 million, to be repaid from the railroad unemployment insurance account by January 1, 1941. Under this provision the Railroad Retirement Board borrowed \$15 million, which was repaid to the Treasury in January 1940.

The first action required of the States by the transfer provisions of the Railroad Unemployment Insurance Act was the enactment of legislation to authorize transfers from the State accounts to the railroad unemployment insurance account. For the District of Columbia the transfer was specifically provided by the Railroad Unemployment Insurance Act, and no further authorization was required. All but 3 of the 46 States whose legislatures met in regular session in 1939 passed legislation authorizing the Secretary of the

* Prepared in the Division of Unemployment Compensation, Bureau of Employment Security, in collaboration with the Division of Coordination Studies, Bureau of Research and Statistics.

Treasury to transfer amounts determined by the Social Security Board (or by the State agency) as of the date of determination. In lieu of an authorization for such transfers, Connecticut provided in its law for the withdrawal of trust-fund moneys for administrative purposes up to an amount equal to the preliminary and liquidating amounts determined by the Social Security Board, and the Social Security Board has withheld administrative grants to this State. Arizona and Georgia did not enact the necessary legislation. The 1939 amendments to the Social Security Act directed the Social Security Board to waive the withholding of administrative grants from States which did not enact the necessary legislation at the first regular session of their legislatures after the enactment of the Railroad Unemployment Insurance Act, if the transfers were provided for in the next regular or special session. The amendment required such States to pay interest from the date of determination of amounts transferable. Arizona passed the required legislation at a special legislative session September 26, 1940. The Georgia Legislature has not met in regular or special session and has not passed legislation authorizing the transfers.

The four States whose legislatures did not meet in 1939 passed the required legislation during their 1940 sessions. In Kentucky, however, the highest court of the State held that it would be unconstitutional to transfer contributions made by employees under the State unemployment compensation law. Federal legislation was subsequently enacted¹ to allow additional time up to July 1, 1942, in which to effect the transfer for States in which the transfer was deemed by the State courts to be unconstitutional.

In amending their laws most States adopted language consistent with the Railroad Unemployment Insurance Act. Some States, however, provided that the amount of the transfers should be determined by the State agency, instead of by the Social Security Board as specified in the Federal act. These States authorized the Treasury to transfer an amount determined by the State agency. The Treasury, however, was bound by the language of the Federal law to transfer amounts determined by the Social Security Board. Although the Railroad Unemployment Insurance Act specifies the dates by which the States must

authorize the transfers, it does not specify the time of the transfers. In accordance with the ruling of the Comptroller General, transfers of the preliminary and liquidating amounts were made as of the dates the Treasury was notified of the amounts, rather than as of July 1, 1939, and January 1, 1940, respectively. Interest on these amounts continued to accrue to State accounts until the date of notification of the Treasury of the amount to be transferred.

Detailed instructions on the method for computing amounts to be transferred were furnished the State agencies. These instructions were written by the Social Security Board in cooperation with the Railroad Retirement Board and the Railroad Subcommittee of the Interstate Conference of Employment Security Agencies. Aside from the accounting procedures involved, two points are particularly worthy of attention: the employers to be considered as railroad employers for the purpose of the computation, and the computation of the "balance as of June 30, 1939."

In September 1938 the Railroad Retirement Board published a list of employers determined to be subject to the Railroad Retirement and Railroad Unemployment Insurance Acts. This list was added to periodically as further decisions on coverage were made. A few employers contested the decisions of the Railroad Retirement Board that they were subject to the railroad acts. In other instances the State agencies or the Social Security Board contested some of the coverage decisions of the Railroad Retirement Board. These contests had to be resolved to permit the States to segregate workers with railroad wage credits as well as railroad employers' contributions. It was necessary to limit the definition of employers subject to the railroad acts to those known to the States as railroad employers prior to July 1, 1939.

It was recognized that the balance as of June 30, 1939, could not be computed until substantially all benefits had been paid for unemployment occurring prior to that date. Sufficient time had to be allowed, therefore, for processing the majority of the claims filed for unemployment in weeks including June 30. In addition to the normal time needed for processing claims, time had to be allowed for the filing and processing of retroactive claims for partial benefits and for settling claims in the process of appeal.

¹ Public, No. 725, 76th Cong., 3d sess., approved July 2, 1940.

Another problem in computing the balance resulted from the methods used by the various States in canceling benefit rights of claimants who became subject to the Federal act on July 1, 1939, during a compensable period. Because of the definition of week of unemployment in State laws and because the Railroad Unemployment Insurance Act specifically provides that none of its

provisions is to affect the payment of benefits for any period prior to July 1, 1939, the majority of the States did not cancel railroad wage credits of active claimants on June 30 but paid benefits on the basis of such credits for all weeks of unemployment which included that date. In some instances, therefore, benefits were paid by States on the basis of railroad earnings for weeks ended

Table 1.—Amounts transferable to the railroad unemployment insurance account from State accounts in the unemployment trust fund, and amounts transferred through October 1940, by States

State	Computed amounts transferable			Ratio (percent) of railroad contributions to total contributions	Amounts transferred through October 1940	
	Total	Preliminary	Liquidating		Preliminary	Liquidating
Total	\$103, 114, 874	\$90, 814, 488	\$12, 300, 386		\$84, 344, 417	\$11, 434, 871
Alabama	(¹)	(²)	(³)		(⁴)	(⁵)
Alaska	13, 378	11, 558	1, 820	1.4	(⁶)	(⁷)
Arizona	338, 235	268, 759	69, 476	12.2	(⁸)	(⁹)
Arkansas	1, 087, 846	959, 238	128, 608	15.8	959, 238	128, 608
California	7, 803, 779	6, 822, 491	981, 288	5.4	6, 822, 491	981, 288
Colorado	1, 528, 040	1, 351, 813	176, 227	14.5	1, 351, 813	176, 227
Connecticut	789, 127	658, 287	130, 840	3.0	658, 287	130, 840
Delaware	461, 070	407, 628	53, 442	8.6	407, 628	53, 442
District of Columbia	790, 230	760, 274	29, 956	5.6	760, 274	29, 956
Florida	1, 508, 551	1, 342, 201	166, 350	10.7	1, 342, 201	166, 350
Georgia	2, 407, 696	2, 319, 980	87, 707	12.2	(¹⁰)	(¹¹)
Hawaii	79, 837	76, 304	3, 533	1.9	(¹²)	(¹³)
Idaho	373, 014	308, 467	64, 547	13.1	308, 467	64, 547
Illinois	13, 841, 173	12, 476, 701	1, 364, 472	8.1	12, 476, 701	1, 364, 472
Indiana	3, 189, 592	2, 857, 410	332, 182	8.7	2, 857, 410	332, 182
Iowa	2, 122, 341	1, 814, 958	307, 383	15.3	1, 814, 958	307, 383
Kansas	2, 724, 508	2, 425, 191	299, 317	21.0	2, 425, 191	299, 317
Kentucky	(¹⁴)	(¹⁵)	(¹⁶)			
Louisiana	1, 179, 639	1, 119, 961	59, 678	7.8	1, 119, 961	59, 678
Maine	255, 337	180, 850	74, 487	7.5	180, 850	74, 487
Maryland	1, 195, 347	972, 254	223, 093	8.2	972, 254	223, 093
Massachusetts	2, 312, 725	2, 018, 340	294, 385	3.4	2, 018, 340	294, 385
Michigan	1, 931, 485	1, 538, 710	392, 775	3.7	1, 538, 710	(¹⁷)
Minnesota	2, 516, 983	2, 105, 476	411, 507	11.7	2, 105, 476	411, 507
Mississippi	642, 413	542, 067	100, 346	16.0	542, 067	100, 346
Missouri	4, 871, 494	4, 369, 411	502, 083	10.5	4, 369, 411	502, 083
Montana	1, 186, 104	1, 062, 461	123, 643	17.1	1, 062, 461	123, 643
Nebraska	1, 681, 585	1, 463, 701	217, 884	(¹⁸)	1, 463, 701	217, 884
Nevada	356, 735	310, 346	46, 389	19.7	310, 346	46, 389
New Hampshire	238, 107	227, 363	10, 744	4.8	227, 363	10, 744
New Jersey	4, 268, 521	3, 752, 590	515, 931	4.6	3, 752, 590	515, 931
New Mexico	514, 544	452, 228	62, 316	17.7	452, 228	62, 316
New York	6, 857, 978	5, 748, 811	1, 109, 167	4.2	5, 748, 811	1, 109, 167
North Carolina	1, 103, 334	1, 042, 587	60, 747	6.9	(¹⁹)	(²⁰)
North Dakota	577, 480	531, 916	25, 564	20.7	(²¹)	25, 564
Ohio	8, 535, 006	7, 664, 159	870, 847	6.8	7, 664, 159	870, 847
Oklahoma	1, 001, 133	888, 623	112, 510	6.9	888, 623	112, 510
Oregon	590, 393	523, 929	66, 464	8.1	523, 929	66, 464
Pennsylvania	6, 698, 999	5, 374, 632	1, 324, 367	7.1	5, 374, 632	1, 324, 367
Rhode Island	151, 993	115, 809	36, 184	1.6	115, 809	36, 184
South Carolina	690, 744	602, 456	28, 288	7.4	602, 456	28, 288
South Dakota	403, 305	359, 389	43, 916	15.7	359, 389	43, 916
Tennessee	1, 527, 440	1, 277, 983	249, 457	12.0	(²²)	(²³)
Texas	4, 227, 030	4, 025, 869	201, 161	10.3	4, 025, 869	201, 161
Utah	516, 975	409, 711	107, 264	15.8	409, 711	107, 264
Vermont	327, 074	308, 048	19, 026	6.3	308, 048	19, 026
Virginia	2, 453, 850	2, 094, 581	359, 269	15.3	2, 094, 581	359, 269
Washington	1, 476, 678	1, 476, 700	197, 978	7.7	1, 476, 700	197, 978
West Virginia	1, 001, 586	920, 975	80, 611	9.6	(²⁴)	80, 611
Wisconsin	1, 964, 430	1, 871, 452	92, 978	(²⁵)	1, 871, 452	92, 978
Wyoming	602, 040	519, 831	82, 209	22.1	519, 831	82, 209

¹ Excludes Kentucky. See footnote 7.

² No amounts are transferable, because State law excludes railroad employers from coverage.

³ Transfers deferred, because agency has requested extension of time to consider amount tentatively determined as transferable.

⁴ Transfer in process; authorizing amendment passed at special session, Sept. 26, 1940.

⁵ Transfers deferred, pending State legislation to authorize transfer of preliminary and liquidating amounts.

⁶ Transfers deferred, pending receipt of additional information on amount tentatively determined as transferable.

⁷ Computations not yet available, because highest court of the State has declared it unconstitutional to transfer employee contributions.

⁸ Transfer in process.

⁹ Ratio not applicable, because employer-reserve law and no contributions creditable to pooled funds.

¹⁰ Transfers deferred, pending hearing on basis of computation contested by State.

Source: Social Security Board, Bureau of Accounts and Audits, Unemployment Compensation Finance Division.

as late as July 6. A few States, however, either paid for a part of a week up to and including June 30 or denied benefits on the basis of railroad wages for weeks of unemployment which were not completed on or before that date. Regardless of the State's method of canceling wage credits on the basis of railroad earnings, the Social Security Board, in determining the balance as of June 30, 1939, considered all benefits paid for weeks completed prior to July 7.

There were other problems with which States were faced. "Contributions collected prior to July 1, 1939," was interpreted to mean contributions in the hands of the State agency prior to that date, except in those States in which contributions were deemed to have been received on the date of postmark. In one State a special interpretation was necessary because contributions were posted as of the date deposited rather than the date received or postmarked. Another State indicated that under its law it could not compute the contributions received until the expiration of the period within which employers were allowed to file claims for refunds. Difficulties arose in two States when widespread redeterminations were made of benefits already paid with respect to unemployment prior to July 1. In making additional payments under a new interpretation of its benefit formula, Ohio did not segregate payments made for unemployment before and after June 30; an estimate therefore had to be made to determine the balance as of that date. These and many similar questions served to delay the transfers beyond the time it was originally anticipated that they would be made.

By the end of October 1940, however, few of the problems remained unsolved. All the States which had enacted the required legislation had submitted the authorization for transfer to the Treasury. Because the law specified the time limit within which the authorization had to be made, practically all States had to make the authorization in blank, prior to the determination of the actual amounts to be transferred. All the States except Kentucky have made the necessary computations, which have been verified by the Social Security Board auditors. For nearly all States these tentative computations have been reported by the Social Security Board to the Rail-

road Retirement Board, which has formally approved them. Nine States which were required by their laws to concur in the determinations have forwarded their certificates of concurrence. The Social Security Board has made the final determinations for practically all States, and the Secretary of the Treasury has been notified of the amounts to be transferred. At the end of October questions of fact or of interpretation were causing delay in final determinations with respect to only a few States. In all of these, work is going forward to complete the determination and effect the transfers.

By October 31 one or both transfers had been made for 43 States. Transfers through that date exceeded \$95.7 million, of which \$84.3 million represents preliminary amounts in 41 States and \$11.4 million liquidating amounts in 42 States. The total amount to be transferred will probably approximate \$105 million.

The amounts transferred have varied considerably among the States, as table 1 shows. Alabama made no transfer, as railroads were excluded from coverage under its unemployment compensation law. The smallest amounts will be transferred by Alaska and Hawaii; for the continental United States the smallest amount, \$152,000, was transferred by Rhode Island. The largest amount, \$13.8 million, was computed for Illinois, the State with the largest number of railroad workers—9.3 percent of the total coverage; in addition, Illinois had paid no benefits prior to July 1, 1939, and therefore had a large balance as of June 30. More than half the total amount transferable comes from eight States, for each of which the transfer exceeds \$4 million.

The ratio of railroad contributions to total contributions which determined the preliminary amounts also varied greatly; the percentage of trust-fund balances as of June 30, 1939, which were transferable ranges from 1.4 percent in Alaska to 26.7 percent in North Dakota. More than one-sixth of the June 30, 1939, balances are transferable in five other States (Kansas, Montana, Nevada, New Mexico, and Wyoming). This variation reflects, among other factors, the relative importance of railroad employment in total employment covered by the State laws prior to July 1, 1939.

RAILROAD UNEMPLOYMENT INSURANCE*

In the 4 weeks ended September 27, 1940, the regional offices of the Railroad Retirement Board received 11,237 applications for certificate of benefit rights based on wages credited for 1939 (table 1). This number brings the total of such applications for the first quarter of the present fiscal year to 70,925, a decline of 35 percent from the total for the same period last year. As noted last month, the reduction is attributable both to a higher level of employment in the current year and to the fact that many of the unemployed workers were still entitled to benefits on the basis of 1938

*Prepared by the Bureau of Research and Information Service, Railroad Retirement Board, in collaboration with the Bureau of Research and Statistics, Social Security Board.

Table 1.—Railroad unemployment insurance: Applications for certificate of benefit rights and claims received, waiting-period credits certified, and benefit payments certified, July 1939–September 1940

Period	Applications received	Claims received	Waiting-period credits certified	Benefit payments certified		
				Number	Total amount	Average amount
Cumulative through June 28, 1940.....	210,823	1,441,213	190,802	1,000,379	\$14,806,879	\$14.80
Cumulative June 29–Sept. 27, 1940.....	70,925	302,596	37,084	182,758	2,680,531	14.67
Aug. 31–Sept. 27, 1940.....	11,237	90,886	9,972	66,336	991,712	14.95
Week ended:						
Sept. 6.....	3,085	23,523	1,793	13,775	207,021	15.03
Sept. 13.....	2,986	24,049	3,329	19,653	296,443	15.08
Sept. 20.....	2,777	23,606	2,445	18,173	273,673	15.06
Sept. 27.....	2,389	19,708	2,405	14,735	214,575	14.56
Weekly averages:						
Period ended						
Aug. 4, 1939 ¹	11,881	25,972	10,377	8,724	128,570	14.74
Aug. 5–Sept. 1.....	3,861	26,376	5,384	15,924	238,473	14.98
Sept. 2–29.....	2,457	27,961	3,735	21,737	317,349	14.60
Sept. 30–Oct. 27.....	2,223	21,223	2,061	15,658	233,302	14.90
Oct. 28–Dec. 1.....	4,253	20,412	2,759	14,175	217,460	15.34
Dec. 2–29.....	5,284	28,447	4,964	18,783	284,493	15.15
Dec. 30, 1939–						
Feb. 2, 1940.....	3,780	36,357	4,516	26,803	403,214	15.04
Feb. 3–Mar. 1.....	2,279	34,488	2,415	27,950	422,607	15.12
Mar. 2–29.....	1,603	35,082	2,130	28,833	428,538	14.86
Mar. 30–Apr. 26.....	2,042	31,342	1,653	25,172	367,807	14.61
Apr. 27–May 31.....	1,247	24,843	1,759	18,309	258,753	14.13
June 1–28.....	1,564	20,907	1,094	15,464	214,478	13.87
June 29–Aug. 2.....	8,627	22,950	2,994	11,092	159,643	14.39
Aug. 3–30.....	4,138	24,240	3,036	15,240	222,651	14.61
Aug. 31–Sept. 27.....	2,809	22,721	2,493	16,584	247,928	14.95

¹ Through June 29.

² During June 29–Sept. 27, 1940, there were processed in addition, 23,524 claims for half months with 8 or more days of unemployment, received from qualified employees who had exhausted their rights in first benefit year although such year was still current when claims were processed. One such claim for each individual will be accepted for waiting-period credit when employee begins new benefit year. During June 29–Aug. 2, 1940, 13,968 such claims were processed, an average of 2,794 per week. During Aug. 3–30, 1940, 5,448 such claims were processed, an average of 1,362 per week. During Aug. 31–Sept. 27, 1940, 4,108 such claims were processed, an average of 1,027 per week. The number of these claims by week in Aug. 31–Sept. 27 is as follows: week ended Sept. 6, 906; Sept. 13, 1,445; Sept. 20, 1,020; and Sept. 27, 737.

³ Number of weeks used to obtain weekly averages for this period is as follows: for applications, 7 (June 16–Aug. 4); for claims and waiting-period credits, 5 (July 1–Aug. 4); for benefit payments, 3 (July 16–Aug. 4).

⁴ Revised.

earnings and therefore had not filed applications. The number of employees with available rights to benefits based on 1938 wages at the end of September 1940 is estimated at about 77,000. However, with each month the cumulative number of applications in the second half of 1940 approaches more nearly the level for the corresponding period of the previous year, because of the gradual increase in the cumulative number of employees whose first benefit years based on 1938 wages have expired. Thus at the end of July 1940 the number of applications was 48 percent lower than in the corresponding period in 1939; the difference was reduced to 40 percent by the end of August and to 35 percent by the end of September.

As noted last month, the certificates of benefit rights issued since June 1940 indicate that the new applicants have markedly lower base-year earnings than the employees certified for benefits on the basis of 1938 wages in the corresponding period of 1939. The difference tends to become less pronounced as the number of applicants in 1940 grows larger. This condition reflects the progressive change in the characteristics of the 1940 applicants, from a group heavily weighted with employees who exhausted their benefit rights based on 1938 wages and employees who had insufficient wages in 1938 to qualify for benefits, to a group more nearly approaching the normal composition of the eligible unemployed in the industry. This trend continued in September, as may be seen below.

Item	Percent with specified base-year wages						
	Total	\$150-199	\$200-474	\$475-749	\$750-1,024	\$1,025-1,299	\$1,300 and over
Applicants with certificates based on 1939 wages:							
Issued by Aug. 2, 1940	100.0	9.8	40.3	19.1	11.9	8.2	10.7
Issued by Aug. 30, 1940	100.0	9.2	37.8	18.7	12.1	8.7	13.5
Issued by Sept. 27, 1940	100.0	8.9	36.8	18.5	12.0	8.9	14.9
Beneficiaries with rights based on 1938 wages by Sept. 29, 1939	100.0	7.7	31.9	20.6	15.2	11.4	13.2

A total of 67,580 certificates of benefit rights based on 1939 wages was issued by the end of September. In addition, 1,322 applications were held ineligible because of insufficient 1939 wages. No definite action has been taken on the remaining 2,023 applications.

A total of 90,886 claims was received in the 4 weeks ended September 27, 1940, or an average of 22,721 per week. The decline in the average from 24,240 in August is probably related in part to the increase in railroad employment, which in mid-September amounted to 7,000 for class I railroads, according to the Interstate Commerce Commission. The decline in September probably reflects also the decrease in the number of employees who have become eligible to file claims for the first time in the new benefit year because of the expiration of their first benefit year following the exhaustion of their rights in such year. The number of such employees who could first file claims in July but not in June is estimated at 7,300, in August but not in July at 5,600, and in September but not in August at 4,300.

The average weekly number of claims received in September 1940 is 5,240 lower than the average for September 1939, indicating a decline in unemployment among eligible workers of about 10,500. The difference in the number of unemployed persons is, however, much greater, for, according to Interstate Commerce Commission statistics, employment for class I railroads in September 1940 was about 47,500 greater than in the previous year. The discrepancy between the two sets of figures is accounted for largely by changes in the number of employees qualified for benefits by

their base-year compensation. In September 1940 the number eligible on that basis was about 58,000 greater than in September 1939.

Of the 97,734 claims processed in the 4 September weeks, 66,336 were certified for benefit payments, 14,080 were held to be waiting-period claims, and 13,442 claims were ineffective because they included registrations with respect to less than 8 days of unemployment. The remainder comprised mainly claims determined to be invalid under the disqualification provisions of the act and claims filed by workers with insufficient base-year earnings. Of the waiting-period claims, 9,972 were definitely certified for credit, and 4,108 claims were set aside for possible waiting-period credit; the latter group was received from workers who had exhausted their rights in the current benefit year, which will expire within the next 6 months. The average number of benefit certifications per week in September was nearly 16,600, an increase of about 1,350 over the August average. This change is accounted for in part by the shifting of claimants from the waiting-period group into the beneficiary group, as is evidenced by the September decline in the weekly average of waiting-period credits certified.

It is estimated that nearly three-fourths of the benefit certifications in September were for claimants whose rights to benefits were derived from

Table 2.—Railroad unemployment insurance: Average benefit payment, average daily benefit amount, and average number of compensable days of unemployment for benefit certifications, July 1939–September 1940¹

Period	All certifications			Certifications with 8 compensable days			Certifications with 1-7 compensable days		
	Average benefit payment	Average daily benefit amount	Average number of compensable days	Percent of total certifications	Average benefit payment	Average daily benefit amount	Average benefit payment	Average daily benefit amount	Average number of compensable days
July 16–Sept. 1, 1939.....	\$14.91	\$2.31	6.45	57.7	\$18.49	\$2.31	\$9.97	\$2.31	4.32
Sept. 2–29.....	14.60	2.31	6.30	55.9	18.51	2.31	9.50	2.30	4.13
Sept. 30–Oct. 27.....	14.90	2.29	6.48	58.5	18.31	2.29	9.92	2.29	4.34
Oct. 28–Dec. 1.....	15.34	2.26	6.72	63.2	18.15	2.27	10.19	2.25	4.51
Dec. 2–29.....	15.15	2.23	6.82	65.5	17.76	2.22	10.35	2.26	4.58
Dec. 30, 1939–Feb. 2, 1940.....	15.04	2.23	6.80	64.8	17.76	2.22	10.35	2.26	4.58
Feb. 3–Mar. 1.....	15.12	2.23	6.84	65.7	17.76	2.22	10.40	2.26	4.60
Mar. 2–29.....	14.86	2.24	6.71	63.4	17.68	2.21	10.19	2.28	4.47
Mar. 30–Apr. 26.....	14.61	2.24	6.59	59.9	17.76	2.22	10.19	2.28	4.47
Apr. 27–May 31.....	14.13	2.28	6.28	53.8	18.16	2.27	9.82	2.30	4.27
June 1–28.....	13.87	2.33	6.05	48.8	18.56	2.32	9.83	2.34	4.20
June 29–Aug. 2 ¹	14.39	2.33	6.47	58.4	18.56	2.32	10.07	2.33	4.32
Aug. 3–30 ¹	14.61	2.26	6.51	59.9	18.16	2.27	9.70	2.26	4.29
Aug. 31–Sept. 27 ¹	14.95	2.28	6.63	62.2	18.16	2.27	10.01	2.28	4.39
Week ended: ²									
Sept. 6.....	15.03	2.25	6.82	66.2	17.92	2.24	10.13	2.25	4.50
Sept. 13.....	15.08	2.30	6.64	62.7	18.56	2.32	9.92	2.28	4.35
Sept. 20.....	15.06	2.27	6.68	62.5	18.08	2.26	10.33	2.30	4.49
Sept. 27.....	14.56	2.28	6.30	57.3	18.08	2.26	9.77	2.31	4.23

¹ All data except average benefit payment for all certifications are based on 20-percent sample of benefit certifications for each day in each regional office.

² Final certifications were excluded in calculation of averages relating to

compensable days. This omission also affects percentage of certifications with 8 compensable days.

³ Revised.

wages credited for 1939. A total of 12,008 certifications of this type represented first certifica-

Table 3.—Railroad unemployment insurance: Number and amount of benefit payments certified, by State of residence of beneficiary, Aug. 31–Sept. 27, 1940¹

State	Number	Amount
Total.....	66,336	\$991,712
Alabama.....	1,369	18,933
Arizona.....	413	6,450
Arkansas.....	1,626	24,724
California.....	2,532	42,730
Colorado.....	906	12,965
Connecticut.....	257	3,754
Delaware.....	614	10,632
District of Columbia.....	221	3,400
Florida.....	2,643	40,044
Georgia.....	1,762	28,543
Idaho.....	146	2,143
Illinois.....	5,905	87,128
Indiana.....	2,542	35,897
Iowa.....	1,183	16,178
Kansas.....	1,238	16,933
Kentucky.....	1,722	24,988
Louisiana.....	1,510	19,684
Maine.....	458	6,923
Maryland.....	524	7,403
Massachusetts.....	1,123	16,218
Michigan.....	1,701	27,044
Minnesota.....	1,037	15,788
Mississippi.....	1,294	19,630
Missouri.....	3,680	56,064
Montana.....	206	3,178
Nebraska.....	997	14,620
Nevada.....	70	1,110
New Hampshire.....	65	1,012
New Jersey.....	1,158	17,689
New Mexico.....	956	14,537
New York.....	6,367	104,899
North Carolina.....	710	10,648
North Dakota.....	176	2,228
Ohio.....	3,071	46,207
Oklahoma.....	1,012	15,273
Oregon.....	176	2,557
Pennsylvania.....	4,359	61,099
Rhode Island.....	96	1,322
South Carolina.....	700	9,567
South Dakota.....	156	2,249
Tennessee.....	1,490	21,932
Texas.....	4,218	62,257
Utah.....	388	5,711
Vermont.....	91	1,214
Virginia.....	765	11,213
Washington.....	463	6,943
West Virginia.....	856	11,937
Wisconsin.....	1,062	15,945
Wyoming.....	121	1,636
Outside continental United States.....	201	2,533

¹ Based on 20-percent sample of benefit certifications for each day in each regional office.

tions for the benefit year; by the end of September, therefore, the total number of benefit accounts opened on the basis of 1939 wages was 37,532. Of the 15,654 certifications based on wages credited for 1938, only 2,110 were for final payments in the benefit year, either because of the exhaustion of benefit rights or because of the expiration of the benefit year.

The total amount of benefit payments certified in the 4 September weeks was over \$990,000, or an average of \$14.95 per certification. The increase from the average benefit in August, which was \$14.61, is traceable mainly to an increase in the proportion of certifications applying to half months of total unemployment. Slight increases in the average number of compensable days and in the average daily benefit amount for other certifications in September are also evident in table 2, based on a 20-percent sample. These changes from August appear to be much smaller when the September certifications are analyzed in two separate groups—those based on 1938 wages and those based on 1939 wages. The main reason for the increased duration of compensable unemployment in September is found therefore in the higher proportion of certifications based on 1939 wages, which rose from 62 percent in August to about 73 percent in September. These certifications apply to half months with an appreciably longer duration of unemployment than the certifications for employees who still have benefit rights based on wages for 1938.

In table 3 the number of benefit certifications and the amount of benefits for the 4 September weeks are shown by State of residence of the beneficiary. The figures are calculated from a tabulation of the 20-percent sample of certifications

PUBLIC ASSISTANCE

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STATISTICS FOR THE UNITED STATES, SEPTEMBER 1940

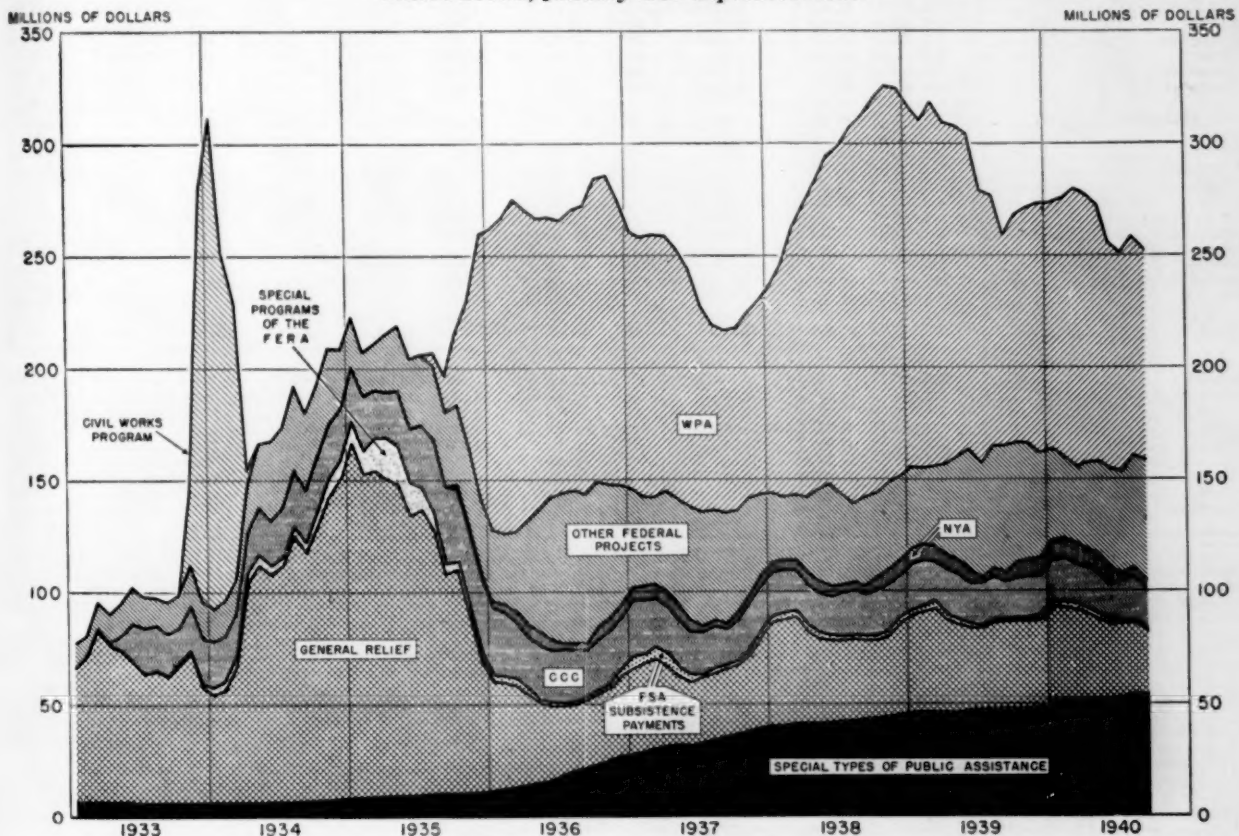
From August to September, the total amount expended in the continental United States for payments to recipients of public assistance and earnings of persons employed under Federal work programs declined 2.8 percent to \$249.9 million. Excluded from this aggregate sum are all costs of administering the several programs and of materials, equipment, and supplies incident to the operation of work projects. It is estimated that payments for September benefited 5.4 million households, which included 15.2 million persons. The estimated numbers of households and persons were 1.2 and 1.9 percent lower, respectively, than in the preceding month.

The decline in aggregate payments in September is attributable almost entirely to reductions in the

amounts expended for earnings on projects of the Work Projects Administration, earnings of enrollees in the Civilian Conservation Corps, and general relief payments. Total earnings of persons employed on WPA projects decreased 4.1 percent to \$93.3 million; the average weekly number of persons employed on such projects declined 0.7 percent to 1.7 million. With the close of an enrollment period in the final month of the quarter, total earnings of persons enrolled in the CCC dropped 11.5 percent to \$16.8 million; the number of enrollees also decreased 11.5 percent.

In September, expenditures for general relief totaled \$28.5 million, or 9.9 percent less than in August. The total number of cases receiving relief—1.3 million—was 6.1 percent smaller than

Chart I.—Public assistance and earnings of persons employed under Federal work programs in the continental United States, January 1933–September 1940



in the preceding month. September data on general relief and the special types of public assistance are not strictly comparable with those for August, because of a change in content of the data for these programs, which is described in detail below. This change accounts for about one-third of the decline in total expenditures for general relief from August to September. Total subsistence payments certified by the Farm

Security Administration decreased 25.0 percent in September, but the total amount expended for such payments comprises a negligible proportion of total assistance and earnings.

Both earnings and employment on Federal work and construction projects other than those of the WPA, CCC, and NYA increased substantially in September. Aggregate earnings on such projects moved upward 4.1 percent to \$52.4 million, while

Table 1.—Amount of public assistance and earnings of persons employed under Federal work programs in the continental United States, by months, January 1938–September 1940¹

[In thousands]

Year and month	Total	Obligations incurred ² for—				Subsistence payments certified by the Farm Security Administration ⁴	Earnings of persons employed under Federal work programs ⁵				
		Special types of public assistance ³			General relief		Civilian Conservation Corps ⁶	National Youth Administration ⁷		Work Projects Administration ⁸	Other Federal work and construction projects ⁹
		Old-age assistance	Aid to dependent children	Aid to the blind				Student work program	Out-of-school work program		
1938 total.....	\$3,487,337	\$392,383	\$97,441	\$19,315	\$476,202	\$22,587	\$230,318	\$19,598	\$41,558	\$1,750,834	\$437,100
January.....	237,243	31,186	7,357	1,560	46,404	2,204	19,940	1,996	2,552	93,060	30,985
February.....	245,817	31,403	7,572	1,598	47,207	2,473	19,461	2,166	2,688	103,092	28,158
March.....	263,213	31,782	7,874	1,629	47,471	2,577	18,336	2,203	2,739	119,693	28,911
April.....	273,944	32,072	7,880	1,527	41,113	2,325	18,311	2,255	2,766	131,419	34,278
May.....	283,640	32,319	7,886	1,556	37,337	2,156	18,014	2,406	3,075	137,916	40,976
June.....	294,369	32,276	7,987	1,582	36,747	1,756	17,174	1,550	3,585	146,068	45,644
July.....	299,010	32,826	8,013	1,603	35,999	1,291	19,848	0	3,701	155,709	40,020
August.....	307,228	32,915	8,300	1,619	36,244	1,117	20,334	6	3,903	167,999	34,790
September.....	312,282	33,259	8,389	1,636	35,406	1,231	18,767	211	3,930	169,659	39,795
October.....	320,315	33,625	8,506	1,651	34,934	1,492	20,367	1,980	4,028	176,100	37,632
November.....	325,604	33,981	8,739	1,668	36,476	1,703	20,514	2,408	4,193	177,229	38,696
December.....	324,672	34,740	8,939	1,687	40,865	2,262	19,252	2,417	4,400	172,892	37,217
1939 total.....	3,494,801	430,469	114,947	20,759	481,721	19,050	230,513	22,708	51,538	1,565,224	557,873
January.....	316,293	35,006	9,226	1,686	43,701	2,391	20,642	2,266	4,347	160,606	36,423
February.....	310,113	35,120	9,395	1,703	45,028	2,327	20,689	2,457	4,472	154,765	34,157
March.....	318,502	35,188	9,498	1,716	46,587	2,492	18,103	2,446	4,451	162,596	35,425
April.....	309,375	35,299	9,212	1,717	41,277	2,242	19,974	2,494	4,318	152,457	40,384
May.....	308,069	35,198	9,279	1,712	39,237	1,687	20,432	2,494	4,286	147,979	45,766
June.....	304,552	35,797	9,585	1,727	37,052	1,284	18,637	1,935	3,993	140,597	53,947
July.....	279,145	36,184	9,630	1,730	36,272	828	19,317	(10)	2,561	122,112	50,512
August.....	276,571	36,378	9,663	1,740	38,230	1,211	19,372	5	4,145	111,593	54,233
September.....	258,253	36,511	9,712	1,738	38,646	846	17,097	306	4,222	93,050	56,126
October.....	268,582	36,335	9,840	1,747	38,698	876	19,308	2,390	4,437	101,986	52,965
November.....	271,792	36,626	9,900	1,766	38,275	1,156	19,321	2,952	4,864	105,589	51,342
December.....	273,553	36,828	10,009	1,777	38,717	1,710	17,621	2,962	5,442	111,894	46,592
1940											
January.....	269,127	38,199	10,385	1,794	41,512	1,992	19,426	2,852	5,816	109,759	37,390
February.....	272,632	38,526	10,513	1,788	40,399	2,309	19,605	3,114	6,138	115,032	35,207
March.....	278,963	38,329	10,721	1,799	39,071	2,805	17,479	3,266	6,251	124,363	34,907
April.....	277,967	38,490	10,839	1,807	36,666	2,500	18,051	3,370	5,932	119,959	40,352
May.....	273,298	38,656	10,892	1,811	34,265	2,144	17,908	3,427	5,554	114,339	44,302
June.....	254,915	39,200	10,981	1,831	31,355	1,516	15,872	2,314	5,708	100,419	45,720
July.....	251,049	39,638	11,085	1,827	32,130	722	18,137	0	3,369	96,875	47,268
August.....	257,116	39,928	11,214	1,841	31,644	1,088	19,022	0	4,762	97,317	50,299
September.....	249,874	39,990	11,312	1,839	28,502	816	16,828	94	4,791	93,341	52,361

¹ See the *Bulletin*, February 1940, pp. 52–53, for information for 1933–37. Figures exclude cost of administration and of materials, equipment, and other items incident to operation of work programs. Figures are partly estimated and subject to revision.

² Figures exclude cost of hospitalization and burial and, beginning with September 1940, of medical care.

³ Payments to recipients from Federal, State, and local funds for programs administered under State plans approved by the Social Security Board, and from State and local funds for programs administered under State laws without Federal participation.

⁴ Figures from the FSA; represent net amount of emergency grant vouchers certified to cases and value of commodities purchased by the FSA and distributed during month.

⁵ Figures include earnings of persons certified as in need and earnings of all other persons employed on work and construction projects financed in whole or in part from Federal funds. Figures for the CCC include earnings of enrolled persons only.

⁶ Figures estimated by the CCC by multiplying average monthly number

of persons enrolled by average of \$70 for each month through June 1939, \$67 for July–October, and \$66.25 for subsequent months. This average amount is based on amount of obligations incurred for cash allowances, for clothing, shelter, subsistence, and medical care of persons enrolled, and for certain other items.

⁷ Figures for January 1938–June 1939 from the WPA, Division of Statistics, for subsequent months from the NYA; represent earnings during all pay-roll periods ended during month.

⁸ Figures from the WPA, Division of Statistics; represent earnings of persons employed on projects operated by the WPA and, for July 1938 and subsequent months, earnings of persons employed on Federal agency projects financed by transfer of WPA funds; cover all pay-roll periods ended during month.

⁹ Figures from the Bureau of Labor Statistics, Division of Construction and Public Employment; represent earnings on other work and construction projects financed in whole or in part from Federal funds and cover all pay-roll periods ended during monthly period ended on 15th of specified month.

¹⁰ Less than \$500.

the average weekly number of persons employed rose 9.4 percent to 432,000. The total amount earned under the out-of-school work program of the NYA was 0.6 percent higher than in August, whereas the number of persons employed was 0.4 percent lower. With the beginning of the school year in September, payments were resumed under the student work program.

Data for the special types of public assistance are affected only slightly by the change in content of the figures. Obligations incurred for

September payments amounted to \$40.0 million for old-age assistance, \$11.3 million for aid to dependent children, and \$1.8 million for aid to the blind. These totals represent slight increases for old-age assistance and aid to dependent children, and a slight decline for aid to the blind.

Total payments for assistance and earnings in September 1940 were 3.2 percent smaller than in September 1939. Most of this decline is attributable to reductions in the amounts spent for general relief and earnings on other Federal work

Table 2.—Recipients of public assistance and persons employed under Federal work programs in the continental United States, by months, January 1938–September 1940¹

[In thousands]

Year and month	Estimated unduplicated total ¹		Recipients of special types of public assistance ²				Cases receiving general relief ⁴	Cases for which subsistence payments were certified by the Farm Security Administration ⁵	Persons employed under Federal work programs ⁶				
	Households	Persons in these households	Old-age assistance	Aid to dependent children		Aid to the blind			Civilian Conservation Corps ⁷	National Youth Administration ⁸		Work Projects Administration ⁹	Other Federal work and construction projects ¹⁰
				Families	Children					Student work program	Out-of-school work program		
1938													
January.....	5,771	17,506	1,600	234	578	57	1,893	108	285	310	146	1,801	333
February.....	6,089	18,638	1,623	241	595	59	1,996	119	278	320	152	2,001	315
March.....	6,480	19,967	1,646	247	610	60	1,994	126	262	327	155	2,319	337
April.....	6,578	20,357	1,662	252	622	60	1,815	117	262	334	159	2,538	391
May.....	6,686	20,685	1,677	256	630	62	1,696	112	257	329	179	2,638	487
June.....	6,684	20,774	1,657	258	638	62	1,648	93	245	219	209	2,741	541
July.....	6,637	20,685	1,707	260	640	63	1,610	70	284	0	215	2,996	490
August.....	6,772	21,192	1,716	265	651	64	1,581	62	290	2	219	3,122	339
September.....	6,812	21,217	1,731	268	659	65	1,526	69	268	49	221	3,209	365
October.....	7,076	21,760	1,746	271	664	65	1,497	79	291	322	220	3,282	376
November.....	7,162	21,964	1,762	274	672	66	1,518	89	293	364	230	3,330	378
December.....	7,156	21,892	1,776	280	684	67	1,631	115	275	372	240	3,156	368
1939													
January.....	7,131	21,740	1,787	287	700	67	1,772	126	295	372	237	3,016	351
February.....	7,170	21,759	1,799	296	717	67	1,844	123	296	382	242	2,990	342
March.....	7,177	21,739	1,813	298	721	68	1,851	127	259	380	236	3,004	349
April.....	6,987	20,986	1,830	296	715	68	1,724	114	285	384	228	2,786	392
May.....	6,806	20,233	1,832	299	722	68	1,644	87	292	372	225	2,638	439
June.....	6,605	19,487	1,842	311	748	68	1,568	69	266	280	214	2,570	488
July.....	6,251	18,466	1,858	312	750	68	1,540	46	288	(11)	207	2,279	491
August.....	6,032	17,628	1,871	312	750	69	1,583	72	289	1	211	1,967	495
September.....	5,767	16,492	1,884	313	752	69	1,670	50	255	70	225	1,715	491
October.....	5,990	16,969	1,894	313	752	69	1,633	50	288	362	238	1,867	475
November.....	6,098	17,283	1,903	313	753	70	1,564	65	292	423	261	1,946	452
December.....	6,183	17,695	1,908	315	760	70	1,564	97	266	434	296	2,109	402
1940													
January.....	6,378	18,436	1,922	325	783	70	1,675	107	293	437	322	2,203	319
February.....	6,451	18,716	1,927	329	792	70	1,674	115	296	456	336	2,293	296
March.....	6,431	18,638	1,933	334	804	70	1,616	119	264	473	335	2,294	306
April.....	6,247	17,941	1,942	338	814	71	1,532	86	272	482	321	2,125	340
May.....	6,039	17,165	1,953	342	823	71	1,447	71	270	477	296	1,963	368
June.....	5,710	16,108	1,967	346	831	72	1,360	60	240	313	269	1,734	393
July.....	5,401	15,370	1,986	349	840	72	1,363	31	274	0	194	1,639	397
August.....	5,443	15,513	2,001	352	849	72	1,345	43	287	0	239	1,684	395
September.....	5,379	15,226	2,015	356	857	73	1,263	35	254	22	238	1,673	432

¹ See the *Bulletin*, February 1940, pp. 54–55, for information for 1933–37. Figures exclude administrative employees. Figures are partly estimated and subject to revision.

² Estimated by the Work Projects Administration and the Social Security Board.

³ Includes recipients assisted from Federal, State, and local funds for programs administered under State plans approved by the Social Security Board, and from State and local funds for programs administered under State laws without Federal participation. Excludes recipients of hospitalization and/or burial only and, beginning with September 1940, of medical care only.

⁴ Excludes cases receiving hospitalization and/or burial only and, beginning with September 1940, medical care only.

⁵ Figures from the FSA; represent net number of emergency grant vouchers certified to cases and number of cases receiving commodities purchased by the FSA and distributed during month. Ordinarily only 1 grant voucher per case is certified per month.

⁶ Figures include persons certified as in need and all other persons employed

on work and construction projects financed in whole or in part from Federal funds. Figures for the CCC include enrolled persons only.

⁷ Figures are averages computed by the CCC from reports on number of persons enrolled on 10th, 20th, and last day of each month except for the Indian Division, for which averages are computed from daily reports.

⁸ Figures for January 1938–June 1939 from the WPA, Division of Statistics, for subsequent months from the NYA; represent number of different persons employed during month.

⁹ Figures from the WPA, Division of Statistics; represent average weekly number of persons employed during month on projects operated by the WPA and, for July 1938 and subsequent months, persons employed on Federal agency projects financed by transfer of WPA funds.

¹⁰ Figures from the Bureau of Labor Statistics, Division of Construction and Public Employment; represent average weekly number of persons employed on other work and construction projects financed in whole or in part from Federal funds during monthly period ended on 15th of specified month.

¹¹ Less than 500 persons.

and construction projects, but expenditures for earnings of CCC enrollees, earnings under the student work program of the NYA, and subsistence payments by the FSA also declined. For the remaining types of assistance and earnings, larger sums were expended in September of this year.

Fluctuations in total income payments in the continental United States during the period January 1929–September 1940 are shown in chart II. This chart indicates the relative importance of different types of income payments, including those for direct relief and work relief.

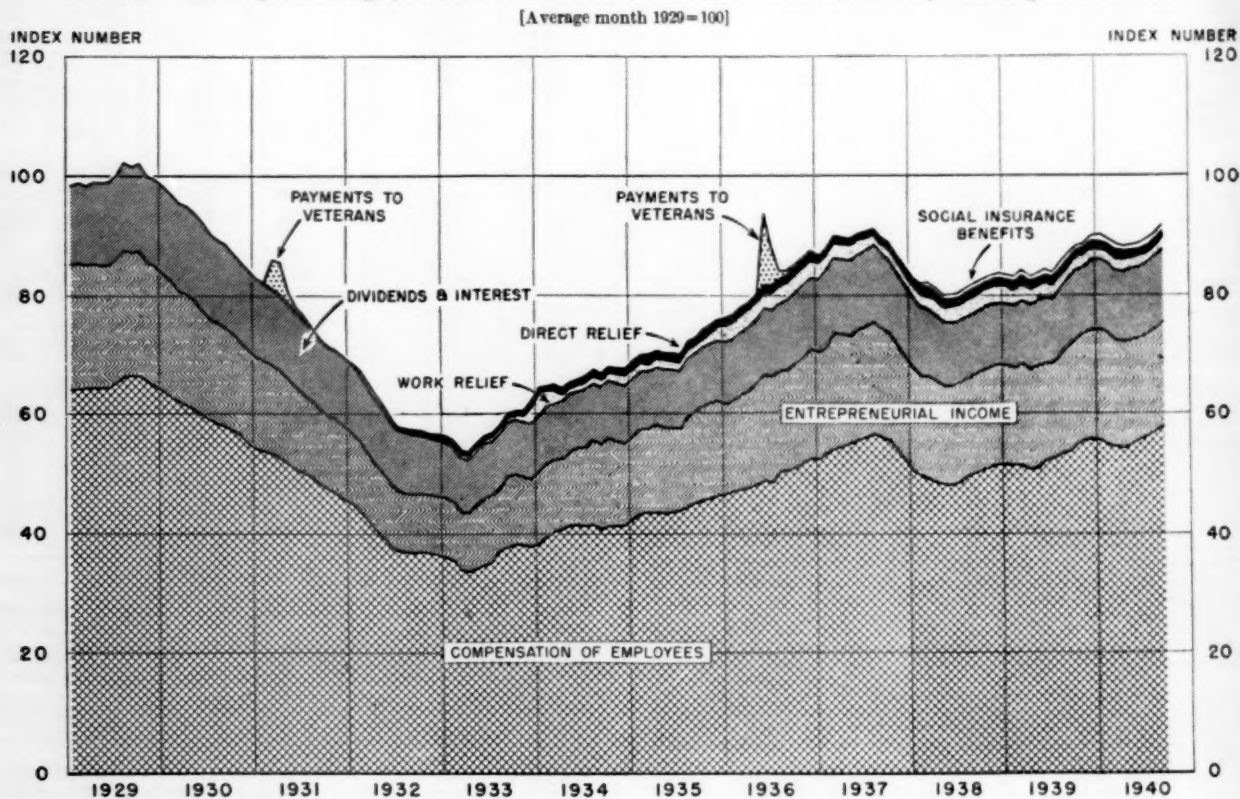
Table 3 presents summary information on the food stamp plan, which is operated by the Surplus Marketing Administration of the United States Department of Agriculture primarily for the purpose of removing agricultural surpluses. Persons participating in this plan receive blue surplus-food stamps in proportion to their purchases of orange-colored food stamps. Orange-colored stamps may be used to buy any food product sold in retail stores, but blue surplus-food stamps

may be used to purchase only agricultural commodities currently designated as surplus by the Department of Agriculture.

Change in Content of Data for General Relief and Special Types of Public Assistance

Beginning with September, monthly data on general relief and the special types of public assistance exclude cases receiving medical care, hospitalization, and/or burial only and total payments for such services to these cases and to cases also receiving money payments and/or assistance in kind. This change was recommended by the Joint Committee on Relief Statistics of the American Public Welfare Association and American Statistical Association, which serves as an advisory committee to the Division of Public Assistance Research. The change is made principally because the great diversity in State and local practice in financing and administering these services decreases the comparability of data reported by the States. Monthly data for each program will therefore be limited hereafter to cases

Chart II.—Index of income payments in the continental United States, January 1929–September 1940¹



¹ Compensation of employees, entrepreneurial income, and dividends and interest adjusted for seasonal variation.

Source: U. S. Department of Commerce, National Income Division.

receiving money payments and/or assistance in kind and to total expenditures for such payments and assistance. Data on the amounts expended for medical care, hospitalization, and burial will continue to be reported by the States and will be published at approximately 6-month intervals. No attempt will be made, however, to relate such expenditures to the number of cases receiving these services.

In conformity with this change, the time series on general relief and the special types of public assistance in the continental United States (tables 1 and 2) and on the special types of public assistance in States with plans approved by the Social Security Board (table 7) have been revised to exclude cases receiving hospitalization and/or burial only and total payments for these services in the first 8 months of 1940—the period during which such cases and payments were included in the data on recipients and obligations under each program. Cases receiving medical care only and

Table 3.—Food stamp plan: Number of areas included and participants, and value of surplus-food stamps issued in the continental United States, by months, May 1939–September 1940¹

Month	Number of areas included ¹	Number of participants ²		Value of surplus-food stamps issued
		Cases	Persons	
1939				
May.....	1	5,711	21,000	\$22,473
June.....	2	15,941	51,000	101,848
July.....	3	28,128	75,700	158,455
August.....	6	40,964	136,500	285,413
September.....	6	54,881	156,300	334,944
October.....	8	61,018	173,900	371,203
November.....	14	79,000	220,600	481,148
December.....	19	137,286	398,900	833,956
1940				
January.....	30	190,648	569,200	1,176,849
February.....	38	304,398	832,900	1,745,367
March.....	53	371,995	1,060,900	2,210,602
April.....	62	442,488	1,277,300	2,667,051
May.....	71	476,613	1,393,300	2,986,686
June.....	83	507,021	1,488,500	3,161,982
July.....	99	533,077	1,566,600	3,514,649
August.....	124	661,494	1,916,500	4,501,090
September.....	137	706,077	2,072,100	4,633,288

¹ Figures do not include persons receiving commodities under direct distribution program of the Surplus Marketing Administration or value of such commodities.

² An area represents a city, county, or group of counties. Population of areas with plans in operation in September 1940 was 28.9 million, according to preliminary 1940 population figures released by the U. S. Bureau of the Census. By Sept. 30, 1940, 50 additional areas with a population of 7.2 million had been designated for inclusion.

³ Includes recipients of old-age assistance, aid to dependent children, and aid to the blind; recipients of and those eligible to receive general relief; persons certified as in need of relief and employed on or awaiting assignment to projects financed by the WPA; and recipients of subsistence payments from the FSA. In some areas certain of these groups, in accordance with agreements with local public welfare authorities, do not participate. Figures include for 1 area (Shawnee, Okla.) some low-income families, i. e., those having weekly income of less than \$19.50, who have been eligible to participate since October 1939.

Source: U. S. Department of Agriculture, Surplus Marketing Administration.

total expenditures for such care have been included in general relief data since the beginning of the Federal Emergency Relief Administration program in 1933 and in data on the special types of public assistance since July 1937. Lack of complete information on the number of cases receiving medical care only prevents the exclusion of these cases and payments for such care from the data for the months prior to September 1940.

The total amounts reported by the States as general relief in the period January–August 1940 are distributed in table 4 by (1) money payments and assistance in kind, (2) medical care, (3) hospitalization, and (4) burial. Distributions of total payments for each of the special types of public assistance in the same period for all States with approved plans as a group and for each State making payments for medical care, hospitalization, and/or burial are presented in table 5. Under some State programs, for general relief as well as the special types of public assistance, allowances for medical care are included in money payments to recipients; data are not available, however, on the amount of such allowances.

The extent of incomparability in State figures arising from the inclusion of data on medical care, hospitalization, and burial is greater for general relief than for the special types of public assistance. In many States administering the special types of public assistance under approved plans, funds for these types of aid are not used to pay for medical care, hospitalization, and burial, either because the State law provides that assistance may be granted only in the form of money payments to recipients or because such services cannot be supplied within a maximum limitation on the monthly amount of assistance. During the period January–August 1940, only 25 of the 51 jurisdictions with approved plans for old-age assistance made payments for medical care, hospitalization, and/or burial; in 16 of these 25 States expenditures were made only for burial. Obligations were incurred for medical care, hospitalization, and/or burial in only 10 of the 42 jurisdictions with approved plans for aid to dependent children and in only 19 of the 43 jurisdictions with approved plans for aid to the blind. Furthermore, in the great majority of instances in which funds for the special types of public assistance are used for such payments, the amounts expended comprise an extremely small share of total assistance payments (table 5).

On the other hand, expenditures reported as general relief during the first 8 months of this year indicate that payments for medical care, hospitalization, and/or burial were made in 35 of the 47 States for which complete or partial distributions by type of payment were reported. More signifi-

cant than the relatively large number of States reporting expenditures for medical care, hospitalization, and/or burial is the extremely wide range in the proportion that payments for these services comprise of total expenditures. In a number of States no payments for medical care, hospitaliza-

Table 4.—Expenditures for general relief, by type of payment and by States, January–August 1940

[Data reported by State agencies, corrected to Oct. 25, 1940]

State	Amount of expenditures ¹					Percentage distribution			
	Total	Money payments and assistance in kind	Medical care	Hospitalization	Burial	Money payments and assistance in kind	Medical care	Hospitalization	Burial
Total for continental United States.....	\$297,286,000								
Alabama.....	187,591	\$186,046	\$200	\$1,345	(²)	99.2	0.1	0.7	
Arizona.....	379,680	379,680	(³)	(³)	(³)	100.0			
Arkansas.....	164,193	164,193	(⁴)	(⁴)	(⁴)	100.0			
California.....	29,675,379	29,116,636	\$409,715	84,202	\$64,826	98.1	1.4	.3	0.2
Colorado.....	2,412,924	1,375,640	216,240	801,690	19,354	57.0	9.0	33.2	.8
Connecticut.....	4,729,564	3,801,365	191,764	736,435	(⁷)	80.4	4.0	15.6	
Delaware.....	248,076	248,076	(⁸)	(⁸)	(⁸)	100.0			
District of Columbia.....	425,438	425,438	(⁹)	(⁹)	(⁹)	100.0			
Florida.....	501,656	501,656	(⁹)	(⁹)	(⁹)	100.0			
Georgia.....	328,935	328,935	(⁹)	(⁹)	(⁹)	100.0			
Idaho.....	263,572	263,572	(⁹)	(⁹)	(⁹)	100.0			
Illinois.....	32,305,483	29,090,848	1,814,442	1,272,000	128,193	90.1	5.6	3.9	.4
Indiana.....	5,491,446	3,925,213	740,891	736,962	88,380	71.5	13.5	13.4	1.6
Iowa.....	4,759,652	3,602,978	635,822	470,984	49,868	75.7	13.4	9.9	1.0
Kansas.....	2,872,993	2,242,856	330,487	241,536	58,114	78.1	11.5	8.4	2.0
Kentucky.....	397,000	(⁹)	(⁹)	(⁹)	(⁹)				
Louisiana.....	1,198,536	1,196,742	499	1,295	1,295	99.9	(¹⁰)		.1
Maine.....	2,235,652	1,887,466	151,211	154,600	42,366	84.4	6.8	6.9	1.9
Maryland.....	1,599,057	1,599,057	(⁹)	(⁹)	(⁹)	100.0			
Massachusetts.....	15,745,489	14,332,727	(⁹)	1,311,881	100,881	91.0		8.3	.7
Michigan.....	11,048,180	10,119,006	847,248	(⁹)	81,926	91.6	7.7		.7
Minnesota.....	7,414,943	6,925,933	489,010	(⁹)	(⁹)	93.4	6.6		
Mississippi.....	70,103	31,377	5,795	24,104	8,827	44.8	8.3	34.4	12.5
Missouri.....	2,671,926	2,671,926	(⁹)	(⁹)	(⁹)	100.0			
Montana.....	713,119	472,444	52,825	157,200	30,641	66.3	7.4	22.0	4.3
Nebraska.....	1,195,002	877,286	163,043	105,675	48,998	73.4	13.7	8.8	4.1
Nevada.....	119,349	60,355	10,210	42,588	6,196	50.6	8.5	35.7	5.2
New Hampshire.....	1,509,369	1,389,378	(⁹)	103,903	16,088	92.0		6.9	1.1
New Jersey.....	9,873,603	9,309,493	195,351	334,571	34,188	94.3	2.0	3.4	.3
New Mexico.....	141,101	105,671	19,991	13,418	2,021	74.9	14.2	9.5	1.4
New York.....	74,229,250	72,184,749	2,044,501	(⁹)	(⁹)	97.2	2.8		
North Carolina.....	550,986	346,889	(⁹)	196,288	16,809	61.9		35.1	3.0
North Dakota.....	746,978	391,195	171,062	159,488	25,233	52.4	22.9	21.3	3.4
Ohio.....	13,696,286	13,184,712	511,574	(⁹)	(⁹)	96.3	3.7		
Oklahoma.....	508,000	(⁹)	(⁹)	(⁹)	(⁹)				
Oregon.....	1,417,444	1,178,204	115,452	108,026	15,762	83.1	8.2	7.6	1.1
Pennsylvania.....	45,905,277	44,862,397	930,040	(⁹)	112,840	97.7	2.0		.3
Rhode Island.....	11 2,170,926	2,075,701	64,205	31,020	(¹²)	95.6	3.0	1.4	
South Carolina.....	150,855	150,855	(⁹)	(⁹)	(⁹)	100.0			
South Dakota.....	794,728	457,560	119,321	187,785	30,062	57.6	15.0	23.6	3.8
Tennessee.....	216,000	216,000	(⁹)	(⁹)	(⁹)	100.0			
Texas.....	854,541	854,541	(⁹)	(⁹)	(⁹)	100.0			
Utah.....	996,689	976,379	8,967	1,102	10,241	98.0	.9	.1	1.0
Vermont.....	490,700	352,377	47,914	76,182	14,227	71.8	9.8	15.5	2.9
Virginia.....	680,791	568,666	21,987	77,254	12,884	83.5	3.2	11.4	1.9
Washington.....	2,109,044	1,797,326	67,822	223,889	20,007	85.2	3.2	10.6	1.0
West Virginia.....	1,413,498	992,241	131,392	224,305	65,560	70.2	9.3	15.9	4.6
Wisconsin.....	8,959,060	7,767,128	557,534	562,254	72,144	86.7	6.2	6.3	.8
Wyoming.....	299,264	169,149	67,029	47,691	15,395	56.5	22.4	15.9	5.2

¹ From State and local funds. Excludes cost of administration; of materials, equipment, and other items incident to operation of work-relief programs; and of special programs.

² Partly estimated.

³ Not provided from general relief funds.

⁴ Unknown amount for medical care reported as money payments and/or assistance in kind in Arkansas, Delaware, Georgia, Maryland, Massachusetts, Missouri, New Hampshire, North Carolina, and South Carolina.

⁵ Provided by county quorum courts which also administer negligible amount of general relief but do not report.

⁶ Represents medical care provided by the State relief administration; does not include medical care provided from county indigent funds.

⁷ Unknown amount for burial included in hospitalization.

⁸ Data not reported.

⁹ Estimated.

¹⁰ Less than 0.1 percent.

¹¹ State unemployment relief program only; in addition, \$408,000 estimated as expended by local relief officials is included in total for continental United States.

¹² Provided by local relief officials but not reported.

Table 5.—Expenditures for payments to recipients of the special types of public assistance in States with plans approved by the Social Security Board, by type of payment and by States, January–August 1940

[Data reported by State agencies, corrected to Oct. 15, 1940]

State	Amount of obligations incurred ¹ for —					Percentage distribution of—			
	Total	Money payments and assistance in kind	Medical care	Hospitalization	Burial	Money payments and assistance in kind	Medical care	Hospitalization	Burial
Old-age assistance									
Total, 51 States.....	\$314,565,185	\$310,193,254	\$1,260,337	\$786,808	\$2,324,786	98.6	0.4	0.3	0.7
Total, 25 States ²	202,597,779	198,225,848	1,260,337	786,808	2,324,786	97.8	.6	.4	1.2
Alabama.....	1,461,494	1,461,277	217	—	—	99.9	(³)	—	—
Arizona.....	1,778,569	1,762,842	—	—	15,727	99.1	—	—	.9
Colorado.....	10,801,239	10,727,599	—	—	73,640	99.3	—	—	.7
Connecticut.....	3,725,678	3,674,553	—	—	51,125	98.6	—	—	1.4
Delaware.....	235,583	234,943	—	—	640	99.7	—	—	.3
District of Columbia.....	680,202	674,053	—	—	6,149	99.1	—	—	.9
Illinois.....	23,034,439	22,844,451	—	—	189,988	99.2	—	—	.8
Indiana.....	9,569,586	9,388,335	—	—	121,251	98.7	—	—	1.3
Iowa.....	9,096,054	8,911,613	—	—	184,441	98.0	—	—	2.0
Kansas.....	4,207,675	4,082,258	72,779	31,579	21,059	97.0	1.7	.8	.5
Louisiana.....	3,174,165	3,166,040	279	—	7,846	99.7	(³)	—	.3
Maine.....	2,369,027	2,314,315	—	—	54,712	97.7	—	—	2.3
Maryland.....	2,605,621	2,574,020	—	—	31,595	98.8	—	—	1.2
Massachusetts.....	19,483,674	19,275,427	36,488	40,735	131,024	98.9	.2	.2	.7
Michigan.....	10,105,383	9,876,859	—	—	229,524	97.7	—	—	2.3
Minnesota.....	10,678,553	10,555,231	—	—	123,322	98.8	—	—	1.2
New Hampshire.....	952,898	915,148	14,821	8,165	14,764	96.0	1.6	.9	1.5
New Jersey.....	5,123,176	5,052,785	—	—	70,391	98.6	—	—	1.4
New York.....	24,282,534	22,476,002	920,749	695,488	190,295	92.6	3.8	2.8	.8
Ohio.....	23,234,251	22,736,540	—	—	497,711	97.9	—	—	2.1
Pennsylvania.....	16,938,928	16,606,030	196,232	—	136,666	98.0	1.2	—	.8
Utah.....	2,341,869	2,331,395	1,938	479	8,057	99.6	.1	(³)	.3
Vermont.....	726,915	697,824	—	—	29,091	96.0	—	—	4.0
Washington.....	6,936,537	6,904,783	—	—	31,754	99.5	—	—	.5
Wisconsin.....	9,113,729	8,982,519	16,834	10,362	104,014	98.6	.2	.1	1.1
Aid to dependent children									
Total, 42 States.....	\$84,286,094	\$83,921,210	\$298,520	\$54,721	\$11,643	99.6	0.3	0.1	(³)
Total, 10 States ²	31,325,200	30,960,316	298,520	54,721	11,643	98.8	1.0	.2	(³)
Alabama.....	653,180	653,077	103	—	—	99.9	(³)	—	—
Kansas.....	1,491,890	1,448,290	29,248	12,499	1,829	97.1	2.0	.8	0.1
Louisiana.....	2,494,593	2,493,427	134	—	1,002	99.9	(³)	—	(³)
Massachusetts.....	5,580,703	5,574,517	3,989	1,752	535	99.9	.1	(³)	(³)
New Hampshire.....	228,342	228,062	280	—	—	99.9	.1	—	—
New Jersey.....	2,723,144	2,722,934	—	—	210	99.9	—	—	(³)
Ohio.....	3,115,501	3,086,891	23,608	5,002	—	99.1	.7	.2	—
Pennsylvania.....	10,318,580	10,198,082	115,914	—	4,584	98.8	1.1	—	.1
Utah.....	947,215	941,545	3,412	164	2,094	99.4	.4	(³)	.2
Wisconsin.....	3,772,016	3,613,491	121,832	35,304	1,389	95.8	3.3	.9	(³)
Aid to the blind									
Total, 43 States.....	\$8,869,981	\$8,774,173	\$54,694	\$25,312	\$15,802	98.9	0.6	0.3	0.2
Total, 19 States ²	3,708,820	3,613,012	54,694	25,312	15,802	97.4	1.5	.7	.4
Alabama.....	41,870	41,867	3	—	—	99.9	(³)	—	—
Arizona.....	75,419	73,531	859	354	675	97.5	1.1	.5	.9
Colorado.....	148,199	139,072	5,187	2,840	1,100	93.9	3.5	1.9	.7
Connecticut.....	48,143	46,208	1,102	484	349	96.0	2.2	1.0	.7
Indiana.....	421,860	396,363	15,009	7,058	3,430	94.0	3.5	1.7	.8
Iowa.....	278,092	273,428	683	1,049	2,932	98.3	.2	.4	1.1
Kansas.....	205,597	199,071	3,498	2,213	815	96.8	1.7	1.1	.4
Louisiana.....	128,922	128,862	10	—	50	99.9	(³)	—	(³)
Maine.....	227,011	223,800	18	221	2,972	98.6	(³)	.1	1.3
Maryland.....	114,047	113,997	—	—	50	99.9	—	—	(³)
Montana.....	32,683	31,798	625	260	—	97.3	1.9	.8	—
New Hampshire.....	59,763	57,946	657	740	420	97.0	1.1	1.2	.7
New York.....	579,562	550,551	19,243	7,906	1,862	95.0	3.3	1.4	.3
North Dakota.....	29,755	28,696	1,089	—	—	96.3	3.7	—	—
Ohio.....	618,419	612,806	4,133	1,480	—	99.1	.7	.2	.4
Utah.....	44,209	41,942	1,637	440	190	94.9	3.7	1.0	.8
Vermont.....	26,398	26,198	—	—	200	99.2	—	—	.2
Washington.....	254,606	254,059	—	—	547	99.8	—	—	.2
Wisconsin.....	374,265	372,847	941	267	210	99.6	.3	.1	(³)

¹ From Federal, State, and local funds; excludes cost of administration.

² Less than 0.1 percent.

³ Represents only those States making separate payments for medical care, hospitalization, and/or burial from funds for special types of public assistance.

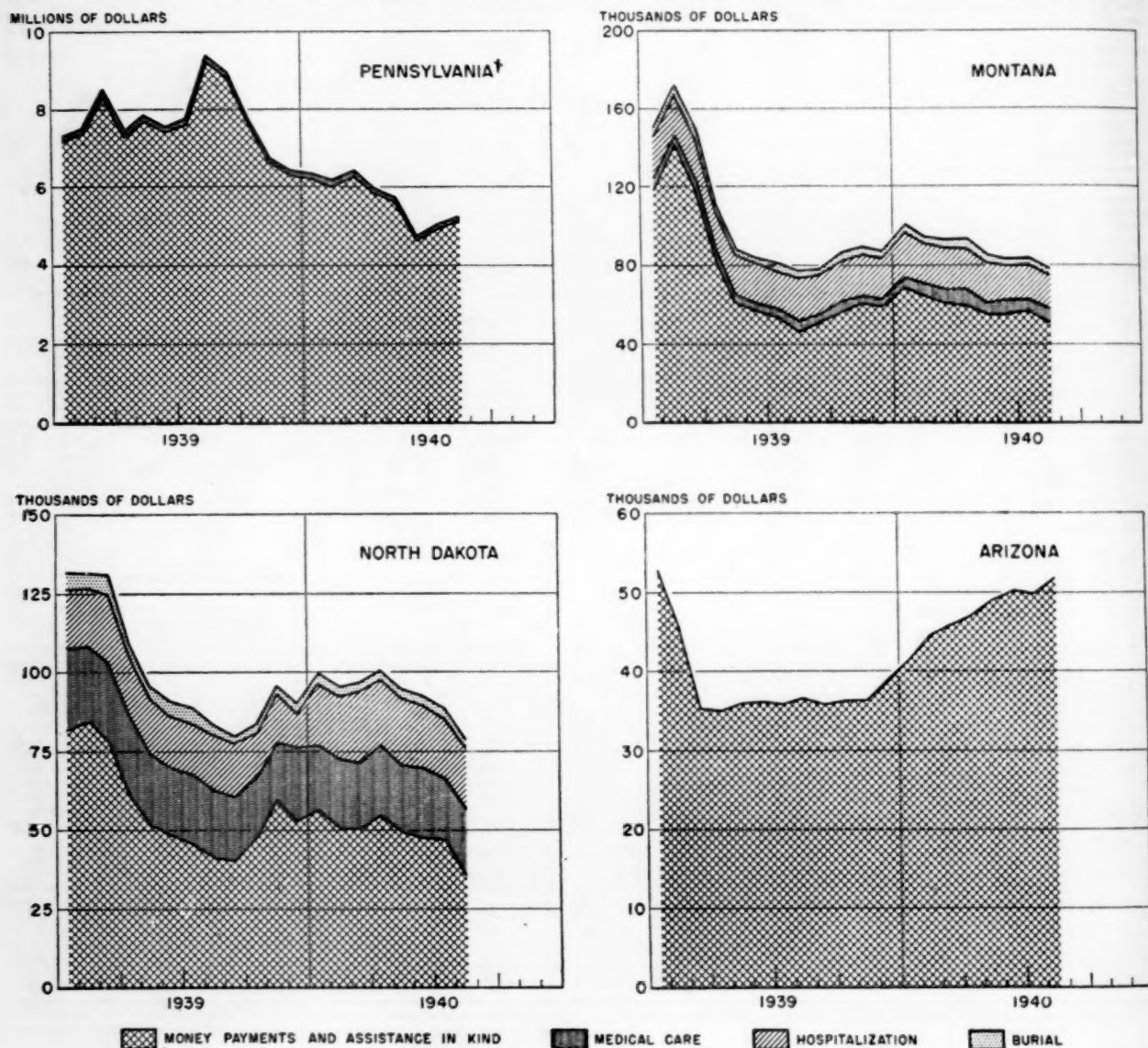
In some States payments for medical care and hospitalization are included in money payments and not reported separately, or these services are provided under other programs.

tion, or burial were reported, whereas in 13 States such payments represented more than one-fourth of total expenditures (table 4).

For the special types of public assistance it is readily possible to determine whether or not medical care, hospitalization, and burial are provided as part of the assistance program. For general relief programs, however, it is sometimes extremely difficult to determine whether payments for these services can be appropriately identified as general relief. In a number of States, county commissioners or township officials provide a wide variety of governmental services, including

relief, medical care, hospitalization, and burial, from general funds that are not earmarked for specific programs. Under these conditions, a large part of all publicly provided medical care, hospitalization, and burial may be reported as general relief, whereas in other States expenditures for these services may be made completely outside the framework of the general relief program. Between these extremes there are a number of different State situations, ranging from instances in which only a fraction of the total amount expended for medical care, hospitalization, and burial of general relief recipients is

Chart III.—Expenditures for general relief, by type of payment, in selected States, January 1939–August 1940



† Payments for burial averaging \$12,500 per month not apparent on chart.

accounted for under the general relief program, to instances in which these services are provided under the general relief program to persons receiving any type of public aid.

The markedly different extent to which the total amounts of general relief reported by the States are affected by the inclusion of data on medical care, hospitalization, and burial is shown by chart III, which presents distributions by type of payment of total expenditures reported by selected States for the period January 1939–August 1940. The differences in State patterns reflect, of course, underlying differences in methods of financing and administering these services.

In Arizona, for example, medical care, hospitalization, and burial clearly are not part of the general relief program. These services are provided by the county supervisors from a special county levy for the "care of the indigent sick," whereas general relief is administered by the State Department of Social Security and Welfare. In Pennsylvania, medical care and burial are supplied under the general relief program, but only to cases also approved for relief for subsistence purposes; hospital care is provided through State-aided and State-owned hospitals and is clearly outside the scope of the general relief program. Under the program for general relief in North Dakota, medical care, hospitalization, and burial are supplied not only to general relief recipients but also to all other persons with "relief" status, such as recipients of the special types of public assistance, certified workers on projects of the Work Projects Administration, enrollees in the Civilian Conservation Corps, and recipients of subsistence payments by the Farm Security Administration. In Montana, medical care, hospitalization, and burial are provided from a county poor fund which also supplies funds for general relief, the county share of payments for the special types of public assistance, institutional care, shelter care, foster-home care, and sponsors' contributions to WPA projects. Medical care, hospitalization, and burial are provided to any person in need of such services, without restriction as to the receipt of relief for subsistence purposes.

General Relief

For September it is estimated that \$28.5 million was expended in the continental United States

for the assistance of about 1.3 million general relief cases. Programs for general relief are financed by the State and/or local governments without Federal participation. The data on assistance payments exclude all costs of administering the programs, of special activities financed from general relief funds, and, beginning with September, of medical care, hospitalization, and burial provided to recipients. September data on cases and payments are therefore restricted to cases receiving money payments and/or assistance in kind and total expenditures for such payments and assistance.

The amount expended for relief in September can be compared with total payments in August in 37 of the 39 States reporting actual figures which exclude data on cases receiving only medical care, hospitalization, and/or burial for September. In these 37 States, total expenditures for relief declined 6.6 percent. Comparable data on total payments in September 1940 and September 1939 are available for 33 States. For this group of States, the total amount of obligations incurred was 24.9 percent smaller in September of this year. Comparison of the number of cases assisted in September 1940 with the numbers aided in August 1940 and September 1939 is not given, because of the lack of comparable data for most of the States.

Special Types of Public Assistance

In September total obligations incurred for payments to recipients of old-age assistance, aid to dependent children, and aid to the blind in the 48 States, the District of Columbia, Alaska, and Hawaii amounted to \$53.3 million. Included in this aggregate expenditure are payments made under State plans approved by the Social Security Board and payments made under State laws without financial participation by the Federal Government. The data on assistance payments exclude all costs of administering the programs and, beginning with September data as noted above, of medical care, hospitalization, and burial of recipients.

Of the total sum expended for the special types of public assistance in September, about 98 percent, or \$52.2 million, was spent in States administering these types of assistance under the Social Security Act. Approximately \$1.1 million was

Table 6.—General relief in the continental United States, by States, September 1940¹

[Data reported by State agencies, corrected to Oct. 25, 1940]

State	Number of cases receiving relief	Amount of obligations incurred for relief ²	Average amount per case	Percentage change ³ in amount of obligations incurred from—	
				August 1940	September 1939
Total for continental United States.....	⁴ 1,263,000	⁴ \$28,502,000			
Total for 30 States.....	⁴ 1,095,426	⁴ 25,940,471	⁴ \$23.68	⁴ -6.6	⁴ -24.9
Alabama.....	2,494	23,751	9.52	+9	+29.6
Arizona.....	3,762	50,864	13.52	-1.7	+42.1
Arkansas.....	4,449	25,163	5.66	-2.3	+41.2
California.....	89,853	2,519,863	28.04	-9.5	-31.5
Colorado.....	⁵ 13,478	⁵ 169,016	12.54	-5.8	-7.6
Connecticut.....	14,787	380,295	25.72	-10.3	-27.7
Delaware.....	1,041	22,024	21.16	+6.9	-27.3
District of Columbia.....	1,894	45,931	24.38	+5.9	+20.3
Florida.....	9,862	62,813	6.37	-4.9	-4.3
Georgia.....	6,617	44,555	6.73	+4.4	+46.5
Idaho.....	2,169	32,347	14.91	+1.2	+32.4
Illinois.....	159,288	3,534,852	22.19	-7.3	+10.3
Indiana.....	⁶ 43,122	⁶ 577,248	13.39	+9	-26.8
Iowa.....	26,324	377,736	14.35	-4	(¹⁰)
Kansas.....	17,197	246,259	14.32	+2.9	+4.0
Kentucky ¹¹	5,600	41,000			
Louisiana.....	9,673	142,953	14.78	+1.7	+40.4
Maine.....	8,515	177,435	20.84	-2	-2.6
Maryland.....	8,639	184,874	21.40	+4.2	+1.6
Massachusetts.....	58,163	1,494,443	25.69	(¹⁰)	(¹⁰)
Michigan.....	49,203	1,048,006	21.30	-3.6	(¹⁰)
Minnesota.....	29,962	642,608	21.45	-1.6	(¹⁰)
Mississippi.....	1,009	3,169	3.14	-11.2	(¹⁰)
Missouri.....	24,451	300,883	12.31	+3.5	+12.5
Montana.....	3,813	57,895	15.18	+14.3	+13.2
Nebraska.....	8,688	87,020	10.02	-10.1	-2.0
Nevada.....	476	7,493	15.74	+2.3	+8.3
New Hampshire ¹¹	6,300	138,000			
New Jersey.....	¹² 43,058	¹² 955,642	22.19	-5.8	-32.0
New Mexico.....	¹³ 2,237	¹³ 18,679	8.35	+18.8	(¹⁰)
New York.....	¹⁴ 227,796	7,996,834	35.11	+1.7	-12.2
North Carolina.....	5,086	34,866	6.86	(¹⁰)	(¹⁰)
North Dakota.....	2,582	33,825	13.10	-4.8	-15.7
Ohio.....	82,138	1,348,122	16.41	-5.1	-31.1
Oklahoma.....	¹⁴ 14,946	69,157	(¹⁴)	+11.5	+8.3
Oregon.....	7,781	121,191	15.58	-7	+8.5
Pennsylvania.....	168,553	4,066,866	24.13	-20.9	-53.8
Rhode Island ¹⁴	7,261	213,639	29.42	-29.6	-6.7
South Carolina.....	2,138	19,089	8.93	-3.0	-6.8
South Dakota.....	3,315	46,000	13.88	+15.6	+6.0
Tennessee ¹¹	2,900	18,000			
Texas.....	11,762	101,461	8.63	-4.2	+13.4
Utah.....	5,436	112,950	20.78	-1.0	-26.0
Vermont.....	¹⁵ 2,264	¹⁵ 48,459	21.40	+4.6	-11.9
Virginia.....	5,860	54,240	9.26	-3.2	-22.9
Washington.....	11,724	166,621	14.21	+4.1	-29.7
West Virginia.....	10,522	95,310	9.06	+5	+23.6
Wisconsin.....	¹⁶ 39,219	¹⁶ 780,750	19.91	-5.9	-14.9
Wyoming.....	1,153	16,225	14.07	-1.8	-2.7

¹ Data differ from those published for January-August 1940, because they exclude cases receiving medical care, hospitalization, and/or burial only, and total payments for such services to these cases and to cases also receiving money payments and/or assistance in kind. Allowances for medical care and hospitalization included in money payments are not excluded. They also differ from data published for months prior to 1940 which included cases receiving medical care only and total payments for medical care.

² From State and local funds. Represents money payments and assistance in kind; excludes cost of administration; of materials, equipment, and other items incident to operation of work-relief programs; and of special programs.

³ Not computed for number of cases, because comparable data are not available for most States.

⁴ Partly estimated. Does not represent total of State figures because data are estimated to exclude all cases receiving medical care, hospitalization, and/or burial only, and total payments for these services.

⁵ Excludes Kentucky, New Hampshire, and Tennessee, for which figures are estimated; Colorado, Indiana, New Jersey, New Mexico, Vermont, and Wisconsin, for which cases receiving medical care, hospitalization, and/or burial only cannot be excluded; and Oklahoma (see footnote 14).

⁶ Comparison for 37 States; excludes Colorado, Indiana, Massachusetts, New Jersey, New Mexico, North Carolina, Oklahoma, Vermont, and Wisconsin, for which comparable data are not available; and Kentucky, New Hampshire, and Tennessee, for which figures are estimated.

paid to blind persons and to families with dependent children in States in which programs for these groups are operated without Federal participation.

For comparative purposes, data on expenditures for August 1940 and September 1939 have been revised to exclude payments for medical care, hospitalization, and burial. The total amount of obligations incurred in all States for payments to recipients in September of this year was only 0.7 percent larger than in the preceding month, but \$5.4 million, or 11.2 percent, greater than in September 1939.

Old-age assistance.—Programs for old-age assistance are administered under State plans approved by the Social Security Board in all 51 States eligible to receive Federal grants for the special types of public assistance. In September, obligations amounting to \$40.1 million were incurred for payments to 2.0 million aged persons. Comparable data on both recipients and payments in August are available for 50 States. In these States the total number benefiting and the total amount expended in September were each less than 1 percent higher than in August. In the 50 States for which data for September 1939 and September 1940 are comparable, the total number on the rolls was 6.8 percent larger in September of this year, and the total amount spent for assistance was 9.9 percent greater.

Aid to dependent children.—In September, aggregate payments for aid to dependent children in the 42 States with approved plans amounted to \$11.0 million; this sum was received by 343,000 families for the assistance of 829,000 dependent children. Data on the numbers of families and children benefiting and total payments in August and September are available on a comparable basis for 41 States. In these States the total

⁷ Comparison for 33 States; excludes Colorado, Indiana, Iowa, Massachusetts, Michigan, Minnesota, Mississippi, New Jersey, New Mexico, North Carolina, Oklahoma, Vermont, and Wisconsin, for which comparable data are not available; and Kentucky, New Hampshire, and Tennessee, for which figures are estimated.

⁸ Includes unknown number of cases receiving medical care only and total payments for medical care.

⁹ Includes unknown number of cases receiving medical care, hospitalization, and/or burial only, and total payments for medical care, hospitalization, and burial.

¹⁰ Not computed, because comparable data are not available.

¹¹ Estimated.

¹² Includes unknown number of cases receiving medical care and/or burial only, and total payments for medical care and burial.

¹³ Includes cases receiving medical care only; number believed by State agency to be insignificant.

¹⁴ Includes 5,796 cases aided under program administered by the State Board of Public Welfare, and 9,150 cases aided by county commissioners; duplication in cases aided believed to be large and average amount per case cannot be computed.

¹⁵ State unemployment relief program only. In addition, \$46,000 is estimated as expended by local relief officials to 2,800 cases.

numbers of families and children receiving assistance increased 1.1 and 1.0 percent, respectively, from August to September, and the total amount of obligations incurred rose 1.3 percent. In the 41 States for which comparable data are available for September 1939 and September 1940, the numbers of families and children aided in September of this year were 14.3 and 14.6 percent higher, respectively, than in the same month of 1939, and total expenditures were 17.2 percent higher.

In September 1940, \$340,000 was expended for aid to dependent children in 9 States in which such assistance was administered without financial participation by the Federal Government. This

amount was paid to 14,100 families in behalf of 32,500 dependent children in Alaska, Connecticut, Illinois, Iowa, Kentucky, Mississippi, Nevada, South Dakota, and Texas.

Aid to the blind.—Assistance to the blind is administered under the Social Security Act in 43 States. In these States, September payments to 48,300 recipients amounted to \$1.1 million. In the 40 States for which comparable data on both recipients and expenditures are available for August and September, the total number of persons assisted and the total amount of obligations incurred were each 0.5 percent higher in the later month. Data for September 1940 are comparable with data for September 1939

Table 7.—Special types of public assistance in States with plans approved by the Social Security Board, by months, January 1938–September 1940¹

[Data reported by State agencies, corrected to Oct. 15, 1940]

Year and month	Number of recipients ²				Amount of obligations incurred for payments to recipients ³			
	Old-age assistance	Aid to dependent children ³		Aid to the blind	Total	Old-age assistance	Aid to dependent children ³	Aid to the blind
		Families	Children					
1938 total					\$494,797,140	\$390,402,054	\$93,427,846	\$10,967,240
January	1,602,025	218,009	541,224	33,595	39,050,567	31,227,485	7,014,662	808,420
February	1,625,539	224,737	557,613	35,149	39,810,592	31,443,867	7,222,237	844,488
March	1,648,306	231,001	572,582	36,393	40,217,107	31,821,575	7,524,472	871,066
April	1,664,541	236,241	585,190	37,218	40,522,133	32,115,423	7,530,714	875,996
May	1,680,051	240,079	594,024	38,131	40,787,565	32,364,745	7,540,168	882,652
June	1,659,295	243,422	603,335	38,783	40,872,494	32,323,431	7,644,607	904,456
July	1,709,812	244,712	606,164	39,596	41,475,321	32,875,578	7,671,460	928,283
August	1,719,124	251,743	620,181	40,195	41,896,379	32,965,264	7,978,814	942,301
September	1,733,999	254,839	628,755	41,002	42,336,545	33,309,172	8,071,316	956,057
October	1,638,457	257,415	633,703	41,449	40,287,138	31,131,171	8,188,402	967,565
November	1,764,569	261,115	641,681	42,256	43,438,019	34,031,996	8,422,218	983,805
December	1,779,292	266,222	654,260	42,938	44,413,280	34,792,347	8,618,776	1,002,157
1939 total					554,764,131	431,130,033	111,183,281	12,450,797
January	1,790,055	273,687	670,040	43,355	44,969,281	35,058,634	8,900,364	1,010,283
February	1,802,296	282,108	686,532	43,740	45,260,728	35,173,297	9,067,661	1,019,770
March	1,815,913	284,262	689,946	43,968	45,440,052	35,242,039	9,173,357	1,024,656
April	1,832,586	282,009	683,888	44,240	45,281,113	35,354,391	8,899,963	1,026,759
May	1,835,246	285,692	691,663	44,161	45,244,883	35,253,819	8,968,982	1,022,082
June	1,845,040	297,344	717,989	44,579	46,166,438	35,852,758	9,278,766	1,034,914
July	1,860,550	298,627	720,134	44,897	46,601,353	36,240,775	9,325,066	1,035,512
August	1,874,090	298,915	729,460	45,255	46,824,105	36,431,580	9,349,336	1,043,189
September	1,887,459	299,707	722,209	45,308	47,014,370	36,565,702	9,402,706	1,045,962
October	1,896,535	300,026	722,040	45,437	46,971,735	36,390,582	9,528,637	1,052,516
November	1,905,968	299,995	722,967	45,608	47,334,832	36,681,658	9,590,872	1,062,302
December	1,911,330	301,823	730,195	45,861	47,655,241	36,884,818	9,697,571	1,072,852
1940								
January	1,925,258	311,783	753,697	46,080	49,409,442	38,255,752	10,073,662	1,080,028
February	1,929,936	315,772	763,097	46,299	49,877,121	38,583,706	10,207,895	1,085,620
March	1,935,704	320,667	774,569	46,526	49,893,933	38,388,082	10,413,621	1,092,230
April	1,944,957	325,348	784,889	46,865	50,189,963	38,550,422	10,539,364	1,100,177
May	1,956,614	329,177	795,274	47,174	50,413,628	38,717,600	10,589,720	1,106,308
June	1,970,507	333,007	801,728	47,576	51,067,346	39,263,252	10,665,381	1,118,713
July	1,989,167	336,264	811,126	47,808	51,610,761	39,701,860	10,790,772	1,118,129
August	2,003,928	339,554	820,427	48,113	52,030,865	39,992,831	10,919,272	1,127,762
September	2,017,927	343,193	828,654	48,278	52,199,449	40,055,600	11,018,962	1,124,887

¹ Data relate to programs administered under State plans approved by the Social Security Board and programs under State laws without Federal participation administered concurrently with similar programs under approved plans. Figures for January–August 1940 differ from those previously published: see footnotes 2 and 4. See the *Bulletin*, July 1939, p. 52, for information for February 1936–December 1937.

² Figures for January 1938–August 1940 represent recipients of money payments, assistance in kind, and/or medical care. Exclude recipients of hos-

pitalization and/or burial only and, beginning with September 1940, of medical care only.

³ Includes estimates for Hawaii for January–May 1938.

⁴ From Federal, State, and local funds; figures for January 1938–August 1940 represent money payments, assistance in kind, and payments for medical care. Exclude cost of administration, hospitalization and burial, and, beginning with September 1940, of medical care.

Table 8.—Old-age assistance in States with plans approved by the Social Security Board, by States, September 1940¹

[Data reported by State agencies, corrected to Oct. 15, 1940]

Social Security Board region and State	Number of recipients	Amount of obligations incurred for payments to recipients ¹	Average amount per recipient	Percentage change from—				Number of recipients per 1,000 estimated population 65 years and over ²
				August 1940 in—		September 1939 in—		
				Number of recipients	Amount of obligations	Number of recipients	Amount of obligations	
Total.....	2,017,927	\$40,055,600	\$19.85	+0.7	+0.5	+6.8	+9.9	*254
Region I:								
Connecticut.....	17,243	465,274	26.98	+5	-2.4	+5.8	+9.3	147
Maine.....	13,491	280,648	20.80	-4	-4	+12.5	+13.3	157
Massachusetts.....	84,316	2,407,232	28.55	-8	-8	+4.6	+5.5	256
New Hampshire.....	6,091	128,013	21.02	+1.6	+1.5	(7)	+20.8	115
Rhode Island.....	6,922	137,151	19.81	+1	+5	+4.2	+7.9	154
Vermont.....	5,310	85,703	16.14	-5	-1	-5.1	(9)	136
Region II:								
New York.....	119,690	2,818,703	23.55	+2	+4	+6.3	+9.3	151
Region III:								
Delaware.....	2,573	29,261	11.37	-1.1	-1.1	-4.2	-6	123
New Jersey.....	31,195	647,730	20.76	+3	+1.5	+5.0	+9.5	125
Pennsylvania.....	99,279	2,161,635	21.77	+3	+1	+23.3	+25.8	160
Region IV:								
District of Columbia.....	3,368	85,425	25.36	-4	-3	+2.6	+4.6	80
Maryland.....	18,338	323,129	17.62	-1	+2	+4.0	+5.6	167
North Carolina.....	36,353	366,657	10.09	+5	+5	+5.6	+7.6	258
Virginia.....	18,872	185,799	9.85	+1.5	+1.7	+23.5	+25.8	124
West Virginia.....	18,342	256,142	13.96	+1.0	+1.3	+3.1	+15.3	241
Region V:								
Kentucky.....	51,842	459,019	8.85	+2.0	+2.4	+14.7	+17.1	280
Michigan.....	74,613	1,242,184	16.65	+5	+8	-6.9	-5.9	256
Ohio.....	128,583	2,942,276	22.88	+9	+9	+6.3	+7.2	266
Region VI:								
Illinois.....	139,926	3,006,427	21.49	+9	+2.0	+3.1	+12.9	279
Indiana.....	66,684	1,198,237	17.97	+3	+7	+2.3	+5.8	231
Wisconsin.....	52,314	1,170,851	22.38	+5	+8	+8.7	+13.6	238
Region VII:								
Alabama.....	19,987	186,834	9.35	-4	-2	+14.7	+18.6	181
Florida.....	36,579	448,834	12.27	+1.0	+1.9	+1	+4.0	385
Georgia.....	34,197	276,121	8.07	+7.8	+8.1	+51.9	+51.4	263
Mississippi.....	23,273	197,615	8.49	+3.8	+4.4	+17.2	+33.9	259
South Carolina.....	18,134	147,255	8.12	-3.3	-4.1	-22.6	-23.2	293
Tennessee.....	40,244	406,056	10.09	+1	+1	+8.2	+8.7	298
Region VIII:								
Iowa.....	55,718	1,149,955	20.64	+4	+6	+5.2	+8.6	254
Minnesota.....	62,881	1,324,161	21.06	+1	+1	-5.2	-3.6	322
Nebraska.....	28,102	467,969	16.65	+2	+4	+3.9	+18.4	287
North Dakota.....	8,791	146,672	16.68	+1	+1	+3.8	-2.3	244
South Dakota.....	14,539	289,474	19.51	+2	-5	+6.9	+20.7	353
Region IX:								
Arkansas.....	22,975	164,889	7.18	+1.5	+9	+33.9	+61.2	288
Kansas.....	27,499	512,558	18.64	(7)	+1.2	+9.7	+15.9	228
Missouri.....	101,825	1,531,441	15.04	+3.1	-2.2	+32.6	+5.4	326
Oklahoma.....	74,030	1,314,810	17.76	+8	+9	+6.9	+7.8	622
Region X:								
Louisiana.....	32,286	385,626	11.94	+7	+1.0	+7.6	+20.6	458
New Mexico.....	4,762	74,437	15.63	+1.2	+2.9	+22.2	+59.9	330
Texas.....	118,299	1,320,166	11.16	(9)	+2.7	-1.8	-23.0	415
Region XI:								
Arizona.....	8,292	231,456	27.91	+5	+5	+9.4	+15.5	488
Colorado.....	*41,504	*1,312,518	31.62	+3	-2.7	+5.2	+17.5	*512
Idaho.....	8,978	199,675	22.24	-1	+3	+7.2	+10.9	310
Montana.....	12,184	220,643	18.11	-2	(9)	-3	+9	393
Utah.....	13,441	302,723	22.52	-4	-2	-2.3	+4.9	498
Wyoming.....	3,437	51,574	23.73	-3	-3	+6.2	+9.1	345
Region XII:								
California.....	146,685	5,561,399	37.91	+1.0	+1.0	+8.9	+27.2	319
Nevada.....	2,312	61,318	26.52	+8	+8	+3.0	+2.8	385
Oregon.....	18,529	396,444	21.40	-1.2	-1.1	-10.7	-10.7	221
Washington.....	39,498	880,115	22.28	+3	+9	+1.3	+2.3	316
Territories:								
Alaska.....	1,512	42,367	28.02	+2.2	+2.0	+18.1	+18.9	378
Hawaii.....	1,789	22,999	12.86	(19)	-8	+4.8	+23.2	179

¹ Data differ from those published for January-August 1940, because they exclude recipients of medical care, hospitalization, and/or burial only and total payments for such services to these recipients and to recipients also receiving money payments and/or assistance in kind. Allowances for medical care and hospitalization included in money payments are not excluded. They also differ from data published for months prior to 1940, which included recipients of medical care only and total payments for medical care.

² From Federal, State, and local funds. Represents money payments and assistance in kind; excludes cost of administration.

³ Population as of July 1, 1938, estimated with advice of the U. S. Bureau of the Census.

⁴ Comparison for 50 States; excludes Kansas for which data are not comparable on both recipients and obligations.

⁵ Comparison for 50 States; excludes New Hampshire for which data are not comparable on both recipients and obligations.

⁶ Adjustments have been made for grants covering 2 or more eligible individuals for Alabama, Arkansas, Georgia, Kansas, Louisiana, New Mexico, North Carolina, South Carolina, Tennessee, West Virginia, Wyoming, and Hawaii.

⁷ Not computed, because comparable data are not available.

⁸ Decrease of less than 0.1 percent.

⁹ Includes \$114,174 incurred for direct payments to 3,618 persons 60 but under 65 years of age. Rate per 1,000 excludes these recipients.

¹⁰ No change.

in 42 States; in this group of States the total number of recipients was 6.8 percent larger in September of this year, and the total amount

expended for assistance was 8.4 percent greater.

Payments for aid to the blind in States in which this type of assistance is administered without

**Table 9.—Aid to dependent children in States with plans approved by the Social Security Board, by States.
September 1940¹**

[Data reported by State agencies, corrected to Oct. 15, 1940]

Social Security Board region and State	Number of recipients		Amount of obligations incurred for payments to recipients ¹	Average amount per family	Percentage change from—						Number of recipients per 1,000 estimated population under 16 years ²
	Families	Children			August 1940 in—			September 1939 in—			
					Number of recipients		Amount of obligations	Number of recipients		Amount of obligations	
					Families	Children		Families	Children		
Total.....	343, 193	828, 654	\$11, 018, 962	\$32. 11	+1. 1	+1. 0	+1. 3	+14. 3	+14. 6	+17. 2	28
Region I:											
Maine.....	1, 588	4, 046	61, 642	38. 82	+1. 9	+2. 1	+2. 4	+11. 0	+10. 5	+14. 0	17
Massachusetts.....	12, 208	* 30, 479	705, 244	57. 77	— .6	— .9	— .3	+14. 9	+14. 8	+12. 5	* 27
New Hampshire.....	651	1, 655	29, 509	45. 33	—1. 5	—1. 1	(7)	+19. 4	+16. 6	+33. 6	13
Rhode Island.....	1, 262	3, 551	57, 642	45. 68	+ .6	+ .9	+1. 1	+9. 3	+14. 0	+7. 8	20
Vermont.....	607	1, 731	19, 872	32. 74	+2. 9	+2. 9	+3. 2	+30. 8	+27. 5	+43. 5	17
Region II:											
New York.....	35, 450	69, 814	1, 603, 902	45. 24	— .6	— .7	— .2	—3. 1	—3. 6	—8. 3	23
Region III:											
Delaware.....	544	* 1, 490	17, 961	33. 02	+1. 5	+2. 1	+2. 3	+8. 8	+22. 6	+15. 3	* 22
New Jersey.....	11, 242	25, 250	350, 010	31. 13	— .1	— .1	+ .2	+3. 6	+6. 1	+8. 4	22
Pennsylvania.....	41, 818	98, 612	1, 514, 510	36. 22	+3. 9	+4. 5	+4. 1	+40. 3	+42. 3	+45. 1	34
Region IV:											
District of Columbia.....	949	2, 813	35, 352	37. 25	+ .4	— .1	— .1	+2. 4	+3. 8	+1. 1	22
Maryland.....	7, 142	19, 141	236, 392	31. 70	— .2	— .4	+1. 7	—2. 6	—3. 8	—2. 6	43
North Carolina.....	9, 475	23, 402	157, 293	16. 60	+ .2	(7)	+ .2	+17. 3	+11. 7	+28. 1	18
Virginia.....	3, 538	10, 821	72, 334	20. 44	+2. 6	+2. 2	+2. 4	+163. 0	+147. 7	+146. 6	12
West Virginia.....	8, 201	22, 497	190, 517	23. 23	+1. 4	+1. 3	+2. 5	+12. 1	+8. 9	+33. 8	35
Region V:											
Michigan.....	19, 750	* 48, 067	761, 892	38. 58	+1. 9	+1. 6	+1. 8	+37. 8	+47. 0	+52. 5	* 36
Ohio.....	10, 669	* 29, 471	420, 732	39. 32	+3. 0	+1. 6	+3. 8	+4. 1	+ .5	+8. 1	* 17
Region VI:											
Indiana.....	17, 448	35, 880	494, 742	28. 36	+ .4	+ .3	+ .7	+2. 9	+3. 1	+5. 8	39
Wisconsin.....	12, 444	* 28, 494	456, 206	36. 66	+ .3	+ .5	+ .8	+6. 3	+5. 6	+8. 5	* 32
Region VII:											
Alabama.....	5, 878	17, 103	82, 924	14. 11	+ .2	+ .2	+1. 0	+7. 3	+5. 9	+26. 5	17
Florida.....	* 4, 134	* 10, 429	* 89, 851	21. 73	+11. 1	+4. 2	+5. 4	+13. 8	+11. 3	+12. 6	22
Georgia.....	4, 131	10, 547	86, 540	20. 95	+4. 5	+4. 0	+5. 6	+13. 1	+7. 5	+16. 2	22
South Carolina.....	2, 904	8, 651	47, 865	16. 48	—1. 9	—2. 4	—2. 2	—33. 9	—33. 0	—33. 6	13
Tennessee.....	14, 301	36, 183	263, 682	18. 44	+ .7	+ .7	+ .9	+46. 0	+39. 0	+47. 2	39
Region VIII:											
Minnesota.....	8, 957	* 21, 492	307, 206	34. 30	+ .2	+ .3	+ .2	+12. 5	+10. 1	+10. 3	* 29
Nebraska.....	10 3, 517	10 12, 285	181, 158	27. 40	+ .1	+ .1	+ .4	+9. 7	+7. 8	+23. 6	32
North Dakota.....	2, 393	* 6, 623	74, 526	31. 14	+ .3	+ .2	+ .5	+14. 5	+13. 7	+11. 6	* 29
Region IX:											
Arkansas.....	5, 577	14, 302	63, 451	11. 38	+1. 5	+1. 4	+ .8	+40. 8	+32. 8	+68. 0	21
Kansas.....	6, 444	14, 978	184, 022	28. 56	(11)	(11)	+2. 0	+8. 0	+10. 8	+15. 4	29
Missouri.....	11, 569	27, 834	278, 445	24. 07	+1. 9	+2. 0	+2. 2	+16. 0	+18. 8	+44. 9	27
Oklahoma.....	19, 041	43, 672	277, 663	14. 58	+ .5	+ .5	+ .8	+12. 0	+11. 7	+35. 0	53
Region X:											
Louisiana.....	13, 456	37, 521	320, 539	23. 82	+1. 0	+ .8	+1. 3	(11)	(11)	+34. 6	55
New Mexico.....	2, 010	5, 820	51, 743	25. 74	+2. 1	+1. 9	+3. 0	+18. 9	+18. 1	+39. 8	40
Region XI:											
Arizona.....	2, 535	7, 139	82, 053	32. 37	— .5	— .4	— .5	+ .7	+3. 5	+1. 9	56
Colorado.....	6, 078	14, 811	182, 297	29. 99	— .3	+ .2	+ .3	+24. 9	+24. 0	+26. 2	50
Idaho.....	2, 934	* 7, 272	85, 957	29. 30	+ .5	+ .7	+1. 2	+11. 4	+15. 0	+19. 7	* 47
Montana.....	2, 402	5, 845	67, 330	28. 03	+ .8	+ .9	+1. 0	+10. 5	+14. 8	+14. 3	38
Utah.....	3, 544	8, 987	129, 192	36. 45	+ .5	+1. 1	+1. 0	+7. 7	+13. 8	+12. 5	51
Wyoming.....	724	1, 816	23, 391	32. 31	— .8	— .5	— .4	+3. 4	+4. 6	+7. 3	27
Region XII:											
California.....	15, 531	* 37, 730	714, 785	46. 02	— .4	— .3	(12)	+11. 3	+9. 4	+21. 3	* 28
Oregon.....	1, 984	12 4, 692	78, 978	39. 81	+ .6	+ .4	+ .7	+6. 5	+12. 4	+5. 2	13 17
Washington.....	4, 946	* 11, 749	156, 212	31. 58	(13)	(13)	+ .1	+3. 0	+7. 8	+10. 9	* 30
Territory:											
Hawaii.....	1, 187	3, 939	43, 398	36. 56	+4. 1	+2. 5	+6. 1	+39. 0	+30. 3	+60. 3	29

¹ Data differ from those published for January-August 1940, because they exclude recipients of medical care, hospitalization, and/or burial only and total payments for such services to these recipients and to recipients also receiving money payments and/or assistance in kind. Allowances for medical care and hospitalization included in money payments are not excluded. They also differ from data published for months prior to 1940, which included recipients of medical care only and total payments for medical care.

² From Federal, State, and local funds. Represents money payments and assistance in kind; excludes cost of administration.

³ Population as of July 1, 1938, estimated with advice of the U. S. Bureau of the Census.

⁴ Comparison for 41 States; excludes Kansas for which data are not comparable on both recipients and obligations.

⁵ Comparison for 41 States; excludes Louisiana for which data are not comparable on both recipients and obligations.

⁶ Includes an unknown number of children 16 years of age and over.

⁷ Increase of less than 0.1 percent.

⁸ Includes approximately 2,906 children 16 years of age and over. Rate per 1,000 excludes these children.

⁹ Includes aid to dependent children administered under State law without Federal participation.

¹⁰ In addition, in 65 counties payments amounting to \$15,003 were made from local funds without Federal participation to 870 families in behalf of 1,965 children under the State mothers'-pension law. Some families receiving aid from this source for September also received aid under State plan for aid to dependent children approved by the Social Security Board.

¹¹ Not computed, because comparable data are not available.

¹² Decrease of less than 0.1 percent.

¹³ Includes 581 children 16 years of age and over. Rate per 1,000 excludes these children.

Federal financial participation amounted to \$715,- by 24,500 blind persons in Illinois, Missouri, 000 in September 1940. This sum was received Nevada, and Pennsylvania.

Table 10.—Aid to the blind in States with plans approved by the Social Security Board, by States, September 1940¹

[Data reported by State agencies, corrected to Oct. 15, 1940]

Social Security Board region and State	Number of recipients	Amount of obligations incurred for payments to recipients ¹	Average amount per recipient	Percentage change from—				Number of recipients per 100,000 estimated population ²
				August 1940 in—		September 1939 in—		
				Number of recipients	Amount of obligations	Number of recipients	Amount of obligations	
Total.....	48,278	\$1,124,887	\$23.30	+0.5	+0.5	+6.8	+8.4	
Region I:								
Connecticut.....	184	\$4,730	25.71	+2.8	-2.4	+13.6	+14.8	17
Maine.....	1,188	27,027	22.75	-8	-9	-4.0	-4.6	139
Massachusetts.....	1,160	26,962	23.24	-1.9	-2.0	+1.2	+4.8	26
New Hampshire.....	313	7,176	22.93	-3	-4	-9	+3	61
Rhode Island.....	66	1,198	18.15	(7)	(7)	(7)	(7)	10
Vermont.....	153	3,272	21.39	+7	+4	-2.5	-1	40
Region II:								
New York.....	2,882	70,284	24.39	+1	-1	+6.5	+7.8	22
Region III:								
New Jersey.....	729	17,042	23.38	+8	+8	+14.1	+16.7	17
Region IV:								
District of Columbia.....	217	5,620	25.90	-5	+1	+2.8	+4.5	35
Maryland.....	678	14,389	21.22	-6	-7	+3.4	+4.3	40
North Carolina.....	1,903	28,779	15.12	+8	+1.6	-3.0	-2.1	54
Virginia.....	1,019	12,807	12.57	-8	-9	+14.0	+14.4	38
West Virginia.....	822	14,510	17.65	+9	+1.1	+9	+12.0	44
Region V:								
Michigan.....	989	21,324	21.56	+4.3	+4.8	+31.2	+25.9	20
Ohio.....	3,974	77,911	19.61	+1	+4	+1.0	+1.1	59
Region VI:								
Indiana.....	2,407	49,161	20.42	+1	+3	-2.2	+4	69
Wisconsin.....	2,015	46,854	23.25	-2	-2	+9	+2.9	69
Region VII:								
Alabama.....	608	5,968	9.82	+3	+11.9	+10.3	+27.6	21
Florida.....	2,418	\$31,343	12.96	+4	+1.4	+11.9	+16.9	145
Georgia.....	1,213	12,434	10.25	+4.2	+4.5	+21.8	+24.5	39
Mississippi.....	851	6,881	8.09	+4.5	+5.3	+39.1	+55.0	42
South Carolina.....	789	8,525	10.80	+3	-2	-10.1	-11.1	42
Tennessee.....	1,617	17,900	11.07	+2	+2	+4	+1.3	56
Region VIII:								
Iowa.....	1,481	35,174	23.75	(7)	+1.0	+4.4	+7.0	58
Minnesota.....	931	24,770	26.61	-3	-6	+11.4	+16.3	35
Nebraska.....	708	14,200	20.06	+1.7	+2.6	+11.8	+13.3	52
North Dakota.....	211	4,622	21.91	+1.4	+2.1	+58.6	+72.8	30
South Dakota.....	243	4,247	17.48	+8	+5	+7.5	+16.1	35
Region IX:								
Arkansas.....	979	8,016	8.19	+1.8	+1.0	+54.7	+94.6	48
Kansas.....	1,322	25,871	19.57	(7)	+1.3	+15.8	+21.2	71
Oklahoma.....	2,224	34,758	15.63	-6	(19)	+3.2	+8.3	87
Region X:								
Louisiana.....	1,080	16,204	15.00	+9	+1.2	+11.6	+23.0	51
New Mexico.....	234	4,121	17.61	-4	-7	+13.6	+30.9	55
Region XI:								
Arizona.....	373	9,976	26.75	+1.6	-1.8	+14.8	+21.5	91
Colorado.....	611	16,780	27.46	(7)	-2.0	(7)	-2.6	57
Idaho.....	281	6,311	22.46	+7	+1.3	(11)	+5.0	57
Montana.....	221	4,584	20.74	+3.3	+2.7	+45.4	+47.0	41
Utah.....	195	4,845	24.85	-5	-3.5	-9.7	-13.6	38
Wyoming.....	147	4,036	27.46	+7	+1.3	-5.8	-6.2	63
Region XII:								
California.....	7,288	350,250	48.06	+6	+6	+9.1	+9.0	118
Oregon.....	453	11,298	24.94	+2.3	+1.5	-9	-2.0	44
Washington.....	1,033	31,626	30.62	-1.1	-8	+1.7	+3.0	62
Territory:								
Hawaii.....	68	1,101	16.19	(7)	(7)	(7)	(7)	17

¹ Data differ from those published for January-August 1940, because they exclude recipients of medical care, hospitalization, and/or burial only and total payments for such services to these recipients and to recipients also receiving money payments and/or assistance in kind. Allowances for medical care and hospitalization included in money payments are not excluded. They also differ from data published for months prior to 1940, which included recipients of medical care only and total payments for medical care.

² From Federal, State, and local funds. Represents money payments and assistance in kind; excludes cost of administration.

³ Population as of July 1, 1937, estimated by the U. S. Bureau of the Census.

⁴ Comparison for 46 States; excludes Colorado, Iowa, and Kansas for which data are not comparable on both recipients and obligations.

⁵ Comparison for 42 States; excludes Colorado for which data are not comparable on both recipients and obligations.

⁶ In addition, 44 blind individuals received \$442 from State and local funds only under program administered concurrently with program under approved plan; data for this program may include recipients of medical care only.

⁷ Not computed, because figures are too small for comparison.

⁸ Includes aid to the blind administered under State law without Federal participation.

⁹ Not computed, because comparable data are not available.

¹⁰ Increase of less than 0.1 percent.

¹¹ No change.

STATISTICS BY STATES, AUGUST 1940

Total expenditures for payments to recipients of public assistance and for earnings of persons employed under Federal work programs increased from July to August in 43 States. In Arkansas, Colorado, Delaware, the District of Columbia, Georgia, Idaho, New Mexico, and Wyoming total payments rose 10 percent or more. The largest decline—6 percent—occurred in Wisconsin.

The total amounts earned by persons employed on projects of the Work Projects Administration were larger in August in 31 States, and aggregate earnings of persons enrolled in the Civilian Conservation Corps were greater in 35 States. Earnings under the out-of-school work program of the National Youth Administration increased in 38 States; no payments were made under the student

Table 11.—Amount of public assistance and earnings of persons employed under Federal work programs in the continental United States, by States, August 1940¹

[In thousands]

State	Total	Obligations incurred for—				Subsistence payments certified by the Farm Security Administration	Earnings of persons employed under Federal work programs			
		Special types of public assistance			General relief		Civilian Conservation Corps	National Youth Administration out-of-school work program ¹	Work Projects Administration	Other Federal work and construction projects
		Old-age assistance	Aid to dependent children	Aid to the blind						
Total.....	\$257, 116	\$39, 928	\$11, 214	\$1, 941	\$31, 644	\$1, 088	\$19, 022	\$4, 762	\$97, 317	\$50, 299
Alabama.....	3, 795	187	82	5	24	26	692	114	1, 676	988
Arizona.....	1, 063	230	82	10	52	67	139	17	322	173
Arkansas.....	2, 626	163	63	8	26	8	745	55	1, 220	337
California.....	19, 364	5, 507	715	348	2, 816	293	561	181	5, 300	3, 643
Colorado.....	3, 590	1, 350	182	18	179	80	183	55	1, 003	540
Connecticut.....	3, 128	477	67	6	444	(³)	107	57	1, 089	880
Delaware.....	425	30	18	21	21	(³)	23	9	150	175
District of Columbia.....	3, 699	86	35	6	43		60	21	721	2, 727
Florida.....	3, 316	441	85	31	66	11	332	98	1, 415	837
Georgia.....	3, 586	255	82	12	43	14	655	110	1, 802	612
Idaho.....	1, 005	199	85	6	32	17	67	20	419	160
Illinois.....	17, 721	2, 947	164	224	4, 036	11	927	273	6, 680	2, 460
Indiana.....	5, 777	1, 190	491	51	479	2	348	99	2, 426	690
Iowa.....	3, 378	1, 144	62	35	459	4	183	66	1, 067	358
Kansas.....	2, 877	521	186	26	272	38	240	91	1, 146	356
Kentucky.....	3, 875	448	48		439	6	477	92	1, 731	1, 072
Louisiana.....	3, 359	382	317	16	141	7	475	84	1, 346	591
Maine.....	1, 542	282	60	27	193	2	111	59	308	498
Maryland.....	2, 744	322	223	14	177	3	150	54	833	968
Massachusetts.....	12, 908	2, 430	708	27	1, 624	(³)	528	135	4, 402	3, 052
Michigan.....	8, 768	1, 232	748	20	1, 183	10	582	167	4, 078	746
Minnesota.....	5, 491	1, 323	306	25	705	18	433	103	2, 127	451
Mississippi.....	2, 574	189	41	7	4	10	524	86	1, 178	575
Missouri.....	7, 093	1, 565	272	91	296	40	728	116	3, 213	771
Montana.....	1, 559	221	67	4	58	84	115	10	555	444
Nebraska.....	2, 723	466	150	14	119	32	185	44	1, 197	516
Nevada.....	378	61	3	(³)	9	1	16	5	79	205
New Hampshire.....	1, 506	125	30	7	144	1	39	29	320	808
New Jersey.....	10, 169	638	349	17	1, 011	(³)	464	146	3, 662	3, 881
New Mexico.....	1, 185	72	50	4	14	54	162	16	590	222
New York.....	28, 306	2, 914	1, 608	73	8, 053	4	1, 095	532	10, 270	3, 757
North Carolina.....	3, 318	365	157	28	44	9	518	119	1, 643	436
North Dakota.....	1, 092	146	74	5	57	15	185	17	451	141
Ohio.....	13, 578	2, 915	409	78	1, 492	5	846	218	6, 377	1, 238
Oklahoma.....	4, 629	1, 303	276	35	443	29	742	99	1, 670	432
Oregon.....	2, 025	401	78	11	137	7	114	17	777	482
Pennsylvania.....	23, 873	2, 181	1, 468	399	5, 221	7	1, 246	408	8, 852	4, 090
Rhode Island.....	2, 162	136	57	1	360	(³)	79	27	680	821
South Carolina.....	3, 206	154	49	9	20	7	378	89	1, 435	1, 067
South Dakota.....	1, 295	291	31	4	53	71	172	11	477	185
Tennessee.....	4, 256	406	261	18	420	1	629	89	1, 479	1, 352
Texas.....	7, 874	1, 285	1		106	37	1, 171	916	3, 747	1, 210
Utah.....	1, 351	304	128	6	115	4	70	22	516	187
Vermont.....	478	86	19	3	37	1	25	14	192	101
Virginia.....	4, 347	183	71	13	58	3	512	89	1, 205	2, 213
Washington.....	5, 204	872	156	32	160	17	225	54	1, 562	2, 125
West Virginia.....	2, 767	253	186	14	111	5	314	74	1, 584	226
Wisconsin.....	5, 525	1, 164	469	47	830	13	405	145	2, 201	251
Wyoming.....	580	82	23	4	19	17	41	8	140	246

¹ See footnotes to table 1.

² No earnings under student work program during August.

³ Includes less than \$500 not distributed by States.

⁴ Estimated.

⁵ Less than \$500.

work program in either July or August. Aggregate earnings on Federal work and construction projects other than those of the WPA, CCC, and NYA increased in August in 33 States.

August figures for the special types of public assistance and general relief have been revised to exclude data on hospitalization and burial, so that the totals for the continental United States shown in tables 11 and 12 might correspond to the revised figures for August shown in tables 1

and 2. For purposes of comparison, July data on expenditures under these programs were also revised. In August, larger amounts of obligations were incurred for old-age assistance in 38 States, for aid to dependent children in 39 States, and for aid to the blind in 31 States. Total expenditures for general relief were smaller than in July in 29 States. The amount of subsistence payments certified by the Farm Security Administration increased in 33 States.

Table 12.—Recipients of public assistance and persons employed under Federal work programs in the continental United States, by States, August 1940¹

State	Recipients of special types of public assistance				Cases receiving general relief	Cases for which subsistence payments were certified by the Farm Security Administration	Persons employed under Federal work programs			
	Old-age assistance	Aid to dependent children		Aid to the blind			Civilian Conservation Corps	National Youth Administration out-of-school work program ¹	Work Projects Administration	Other Federal work and construction projects
		Families	Children							
Total.....	2,000,658	352,487	849,220	72,257	¹ 1,345,000	43,266	287,117	238,662	1,683,653	⁴ 394,679
Alabama.....	20,068	5,869	17,067	606	2,528	910	10,448	6,153	35,166	9,878
Arizona.....	8,251	2,547	7,170	367	3,893	3,251	2,103	877	8,555	1,426
Arkansas.....	22,625	5,494	14,103	962	4,446	413	11,247	3,514	27,316	4,463
California.....	145,183	15,588	37,836	7,248	97,948	7,549	8,464	8,922	78,712	24,220
Colorado.....	41,373	6,068	14,785	626	13,827	3,517	2,759	2,495	16,677	4,341
Connecticut.....	17,161	¹ 1,400	¹ 3,200	¹ 237	16,564	2	1,616	2,681	16,581	6,360
Delaware.....	2,601	536	1,460	.....	1,033	12	354	553	2,737	1,845
District of Columbia.....	3,380	945	2,815	218	1,841	.....	910	1,100	10,964	16,131
Florida.....	36,203	3,721	10,004	2,408	10,014	351	5,012	5,822	26,304	9,135
Georgia.....	31,735	3,953	10,140	1,164	6,839	747	9,889	5,724	36,535	7,724
Idaho.....	8,988	2,920	7,222	279	2,144	404	1,005	899	7,134	1,437
Illinois.....	138,744	7,227	16,736	7,431	168,607	416	13,996	13,935	110,515	14,911
Indiana.....	66,466	17,386	35,756	2,404	43,260	80	5,253	5,834	44,271	5,669
Iowa.....	55,508	¹ 3,000	¹ 7,000	¹ 1,473	28,733	126	2,765	3,454	19,669	3,966
Kansas.....	² 27,339	² 6,406	² 14,896	² 1,301	18,705	1,792	3,628	4,005	20,793	4,487
Kentucky.....	50,830	² 290	² 995	.....	² 5,600	101	7,207	4,804	34,770	8,833
Louisiana.....	32,073	13,328	37,227	1,070	9,537	349	7,177	4,060	26,026	6,254
Maine.....	13,551	1,558	3,962	1,198	³ 8,648	87	1,679	1,879	5,731	5,029
Maryland.....	18,351	7,153	19,214	682	8,388	108	2,259	3,116	14,607	6,815
Massachusetts.....	85,016	12,290	30,756	1,182	62,406	7	7,977	6,127	68,114	22,382
Michigan.....	74,208	19,377	47,311	948	54,184	414	8,786	7,708	67,104	6,639
Minnesota.....	62,847	8,935	21,422	934	32,457	831	6,537	4,418	35,581	4,377
Mississippi.....	22,417	³ 104	³ 162	814	³ 1,249	511	7,912	5,113	25,397	7,936
Missouri.....	98,752	11,351	27,297	³ 3,655	24,892	1,636	10,996	6,347	50,722	7,623
Montana.....	12,209	2,382	5,790	214	4,094	3,274	1,743	448	8,578	3,203
Nebraska.....	28,055	5,512	12,277	696	10,369	1,557	2,788	2,538	20,824	5,667
Nevada.....	2,293	106	259	14	734	18	226	325	1,498	1,404
New Hampshire.....	5,993	662	1,678	314	⁴ 6,396	20	592	1,430	6,131	5,365
New Jersey.....	31,109	11,249	25,264	723	⁴ 45,792	1	7,000	7,441	58,617	24,020
New Mexico.....	4,705	1,968	5,713	235	1,953	3,349	2,443	897	9,304	2,019
New York.....	119,421	35,664	70,319	2,878	230,978	154	16,531	23,789	145,098	26,256
North Carolina.....	36,176	9,455	23,396	1,887	6,695	177	7,817	6,390	37,676	5,669
North Dakota.....	8,783	2,387	6,613	208	3,841	901	2,798	850	9,173	3,127
Ohio.....	127,484	10,390	28,998	3,980	91,277	204	12,763	10,545	103,957	8,843
Oklahoma.....	73,466	18,946	43,440	2,238	⁵ 11,200	1,221	11,198	4,553	36,408	3,992
Oregon.....	18,748	1,972	4,675	443	8,821	273	1,714	824	12,004	3,806
Pennsylvania.....	99,016	40,241	94,331	13,112	182,517	257	18,804	17,899	153,752	30,207
Rhode Island.....	6,915	1,254	3,519	66	⁵ 10,800	2	1,195	1,277	10,378	5,083
South Carolina.....	18,753	2,959	8,867	787	2,169	285	5,706	4,915	29,431	9,667
South Dakota.....	14,815	1,835	4,054	241	4,212	4,230	2,593	413	9,490	1,958
Tennessee.....	40,220	14,204	35,940	1,614	⁵ 3,200	35	9,497	6,382	32,357	11,577
Texas.....	118,336	81	⁵ 230	.....	13,313	1,546	17,680	16,984	75,131	12,584
Utah.....	13,408	3,528	8,901	196	5,505	134	1,058	1,103	8,284	1,474
Vermont.....	5,339	590	1,682	152	⁶ 2,076	16	381	688	3,526	939
Virginia.....	18,596	3,447	10,591	1,027	6,324	49	7,733	5,290	25,648	16,653
Washington.....	39,384	4,948	11,750	1,044	11,318	528	3,394	2,649	23,281	12,443
West Virginia.....	18,162	8,091	22,206	815	12,705	99	4,740	3,649	29,498	2,174
Wisconsin.....	52,066	12,410	28,365	2,020	40,870	594	6,116	7,318	38,699	2,201
Wyoming.....	3,446	730	1,826	146	1,334	638	618	525	2,499	2,166

¹ See footnotes to table 2.

² No persons employed under student work program during August.

³ Partly estimated; does not represent total of State figures because data are estimated to exclude all cases receiving hospitalization and/or burial only.

⁴ Includes 1 person not distributed by State.

⁵ Estimated.

⁶ May include an insignificant number of recipients of hospitalization and/or burial only.

⁷ Includes an unknown number of cases receiving hospitalization and/or burial only.

STATISTICS FOR URBAN AREAS

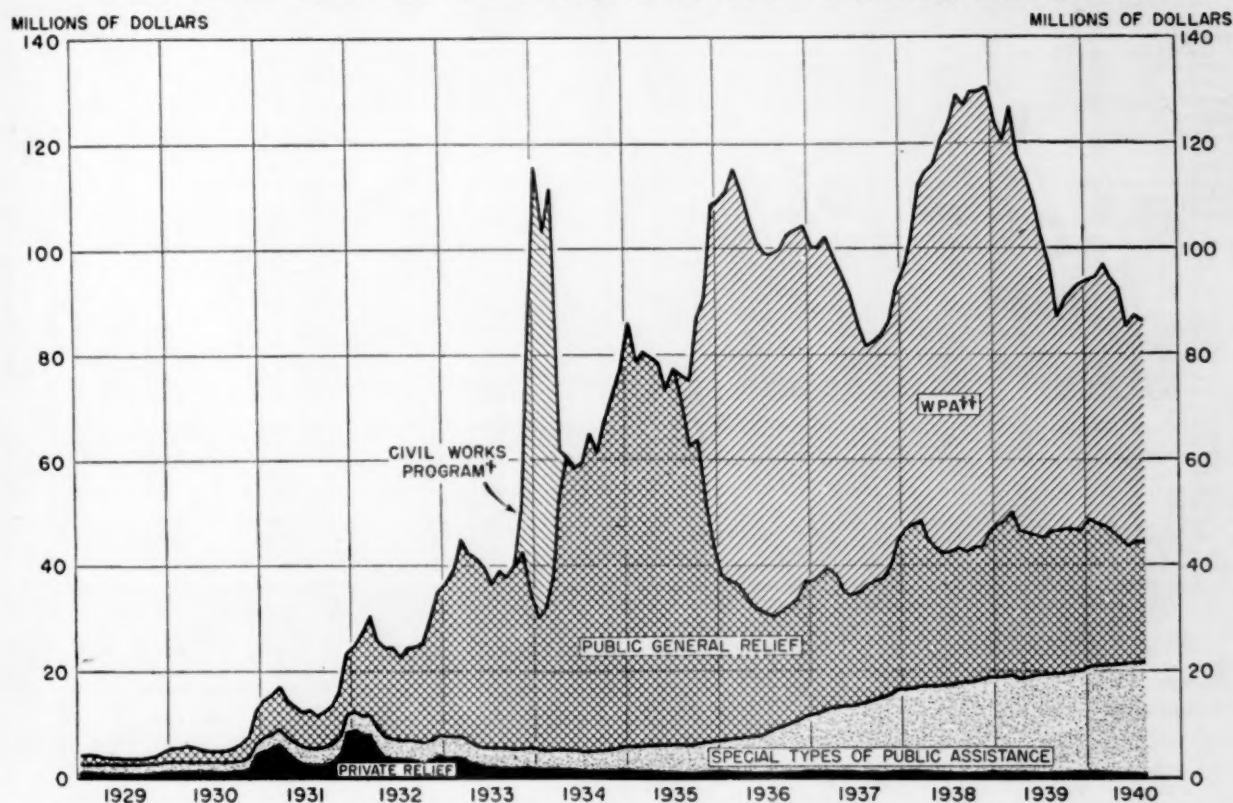
Public and Private Aid in 116 Urban Areas August 1940

During August a total of \$86.2 million was expended in 116 urban areas in the United States for payments to recipients of the special types of public assistance, public general relief, and private assistance, and for earnings of persons employed on projects operated by the Work Projects Administration. This aggregate sum excludes all costs of administering the several programs and of equipment, materials, and supplies required for the operation of work projects. Data are not available for the urban areas on earnings of persons enrolled in the Civilian Conservation Corps, earnings under the work programs of the National Youth Administration, or earnings of persons employed on Federal agency projects financed by transfer of WPA funds and other Federal work and construction projects.

Effective with this issue of the Bulletin, data on cases are no longer included in table 1, which contains summary figures for all areas combined. The data on cases heretofore presented have been incomplete, because of the lack of information on the number of persons employed on WPA-operated projects and on the number of cases assisted by some of the private agencies. Another change in table 1 consists of the distribution of total expenditures by type of funds rather than by type of administrative agency. This change affects the distribution of total payments to a negligible degree, since the amounts of public and private funds administered by private and public agencies, respectively, are extremely small.

From July to August, total payments for public and private assistance and WPA earnings in the 116 urban areas moved downward 1.7 percent. This decrease was attributable to reductions in the amounts spent for earnings on WPA-operated

Chart I.—Public and private assistance and earnings of persons employed on projects operated by the Work Projects Administration and under the Civil Works Program in 116 urban areas, January 1929–August 1940



† Earnings of all persons employed under the Civil Works Program, including administrative staff.
 †† Earnings on projects operated by the WPA within the areas.

Table 1.—Amount of public and private assistance and earnings of persons employed on projects operated by the Work Projects Administration, by urban areas, August 1940

[Corrected to Oct. 19, 1940]

State and city	Area included	Total ¹	Public funds						Private funds ²	Percentage change in total from—	
			Total	General relief ³	Old-age assistance	Aid to dependent children ⁴	Aid to the blind ⁵	WPA earnings ⁶		July 1940	August 1939
Alabama:											
Birmingham	County	\$391,438	\$390,946	\$8,238	\$20,309	\$21,967	\$779	\$339,653	\$492	-17.9	-23.6
Mobile	do.	109,074	108,663	1,058	7,538	1,997	136	97,934	411	+41.7	+1.1
California:											
Los Angeles	do.	5,711,900	5,688,760	1,388,460	2,234,161	238,647	166,622	1,660,870	23,140	-1.6	+3.6
Oakland	do.	1,095,717	1,091,973	184,150	314,396	52,743	24,671	516,013	3,744	-28.3	-15.4
Sacramento	do.	277,352	275,945	25,567	133,449	21,670	7,521	87,738	1,407	-2.9	+9
San Diego	do.	668,453	667,601	93,297	286,459	34,993	13,034	239,818	852	+3.3	+6.3
San Francisco	do.	1,443,916	1,419,557	286,084	422,219	56,500	26,190	628,564	24,359	-18.7	-13.0
Colorado: Denver	do.	771,284	768,996	80,023	373,058	60,475	4,435	251,005	2,288	+7.5	+13.9
Connecticut:											
Bridgeport	City	204,396	201,981	* 44,330	36,781	8,214	578	112,078	* 2,415	+16.0	-1.7
Hartford	do.	257,114	246,020	* 90,606	57,668	7,563	1,014	89,169	* 11,094	+3.7	+5.3
Bew Britain	do.	61,306	60,912	* 7,788	13,278	3,038	136	36,672	* 394	-4.8	-29.5
New Haven	do.	264,979	260,480	* 71,663	55,129	8,852	1,041	123,795	* 3,599	-16.0	+1.0
Delaware: Wilmington	County	159,928	157,727	18,952	18,388	10,825		109,562	2,201	-5.7	-4.9
District of Columbia: Wash- ington	City	790,361	775,952	43,815	86,310	35,378	5,614	604,835	* 14,409	+11.8	+16.9
Florida:											
Jacksonville	County	250,245	249,489	6,262	46,051	8,440	3,196	185,540	756	-11.6	-25.8
Miami	do.	134,699	129,092	6,591	35,982	11,369	2,317	72,833	5,607	+8.0	-15.5
Georgia: Atlanta	do	521,318	514,455	24,634	27,206	17,437	1,946	443,232	6,863	+35.1	-17.4
Illinois:											
Chicago	do.	7,426,353	7,353,344	2,789,586	1,190,955	76,734	69,433	3,226,636	73,009	-7.9	-11.5
Springfield	do.	248,334	246,611	51,709	51,367	2,010	0	141,525	1,723	-2.4	-7.4
Indiana:											
Evansville	do.	243,107	242,359	58,844	42,880	23,766	1,529	115,331	748	+8.9	-17.4
Fort Wayne	do.	194,332	192,682	24,448	45,379	21,394	1,319	100,142	1,650	+6.0	-9.4
Indianapolis	do.	749,600	740,549	76,574	134,067	71,398	6,484	452,026	9,051	+26.2	-18.7
South Bend	do.	228,015	227,629	43,092	40,982	20,921	1,098	121,536	386	-4.7	-26.0
Terre Haute	do.	262,537	261,399	24,062	57,431	22,534	2,095	155,277	1,138	-4.5	-9.1
Iowa:											
Des Moines	do.	441,812	441,035	76,180	95,713	4,042	5,977	259,153	777	+3.9	-1.5
Sioux City	do.	179,872	179,207	53,790	46,334	4,154	1,770	73,159	665	+9	-9.0
Kansas:											
Kansas City	do.	288,786	288,428	30,959	31,717	15,053	1,794	208,905	358	+26.4	+18.7
Topeka	do.	111,825	110,656	11,336	18,494	7,457	1,138	72,231	1,169	-17.9	+3.8
Wichita	do.	213,646	213,064	60,978	42,262	18,643	1,931	89,250	582	+2.1	+13.5
Kentucky: Louisville	do.	329,030	323,737	19,220	38,324	13,000		253,193	5,293	+36.1	+13.8
Louisiana:											
New Orleans	do.	901,414	890,408	50,537	71,436	103,892	5,649	658,894	* 11,006	+6.6	-9.4
Shreveport	do.	63,632	63,444	9,065	17,469	16,933	635	19,342	188	+11.7	+18.5
Maine: Portland	City	95,926	95,370	* 13,082	20,193	4,309	* 1,287	56,499	556	-5	+17.5
Maryland: Baltimore	do.	793,664	779,941	153,788	163,855	131,158	9,619	321,521	13,723	+3.4	+10.8
Massachusetts:											
Boston	do.	2,338,456	2,269,367	473,461	446,971	251,375	8,533	1,089,027	69,089	-1.7	-7.0
Brockton	do.	195,268	192,990	41,183	60,671	8,368	463	82,305	2,278	+9.3	-3
Cambridge	do.	288,170	285,295	79,417	47,966	24,621	898	132,393	2,875	+16.1	-12.2
Fall River	do.	252,735	252,291	75,032	59,773	12,865	838	103,783	444	+2.0	-3.7
Lawrence	do.	166,006	165,457	34,782	46,664	6,271	620	77,120	549	-13.1	-20.2
Lowell	do.	264,801	263,089	61,558	70,854	15,777	866	114,034	1,712	-14.2	-33.4
Lynn	do.	247,449	244,718	53,854	76,953	10,691	766	102,454	* 2,731	+4.6	+4
Malden	do.	142,754	142,694	36,551	32,231	7,226	248	66,438	60	+25.2	+5.6
New Bedford	do.	272,595	271,334	56,029	80,707	13,452	1,080	120,066	1,261	+9.8	-2.5
Newton	do.	75,012	73,815	25,298	20,253	9,024	152	19,088	1,197	-5.0	-25.5
Springfield	do.	308,833	306,594	86,952	87,849	23,300	997	107,496	2,239	+1.9	-9.8
Worcester	do.	408,707	405,773	117,697	100,376	30,011	813	156,876	2,934	-9	-12.4
Michigan:											
Detroit	County	3,216,376	3,201,135	808,337	247,336	232,687	4,576	1,808,199	* 15,241	+1	-23.0
Flint	do.	321,730	321,554	24,200	52,001	27,231	516	217,516	176	+18.7	-14.4
Grand Rapids	do.	385,474	385,017	45,738	98,984	27,784	1,577	210,934	* 457	+2.6	-28.6
Pontiac	do.	193,649	193,500	16,601	49,559	26,420	789	100,131	149	-17.1	-37.8
Saginaw	do.	132,606	132,140	15,258	28,495	18,352	451	69,604	466	-14.0	-24.5
Minnesota:											
Duluth	do.	552,294	548,363	118,352	101,521	34,714	2,735	291,041	3,931	-1.9	-22.4
Minneapolis	do.	1,213,501	1,206,967	270,335	285,675	56,101	5,636	589,220	6,534	+3.8	-17.6
St. Paul	do.	596,423	591,830	193,937	110,695	27,618	3,440	256,140	4,593	-6	-17.9
Missouri:											
Kansas City	do.	668,002	658,884	85,258	178,913	19,745	9,700	365,268	9,118	-14.4	-15.2
St. Louis	City and county	1,338,937	1,322,913	124,798	233,417	64,940	15,500	884,258	16,024	-2.6	-15.2
Nebraska: Omaha	County	480,729	473,448	16,664	78,567	36,716	2,513	338,988	7,281	+8.0	-5.6
New Jersey:											
Jersey City	City	258,870	258,411	99,373	27,177	26,835	1,171	103,855	* 459	-3.5	-49.8
Newark	do.	939,351	935,418	382,669	65,408	65,281	2,580	419,480	3,933	-5.3	-27.9
Trenton	do.	175,402	174,164	43,137	17,969	14,353	782	97,923	1,238	+6.8	-5.9

See footnotes at end of table.

Table 1.—Amount of public and private assistance and earnings of persons employed on projects operated by the Work Projects Administration, by urban areas, August 1940—Continued

[Corrected to Oct. 19, 1940]

State and city	Area included	Total ¹	Public funds						Private funds ²	Percentage change in total from—	
			Total	General relief ³	Old-age assistance	Aid to dependent children ⁴	Aid to the blind ⁵	WPA earnings ⁶		July 1940	August 1939
New York:											
Albany	City	\$139,002	\$137,615	\$34,686	\$17,483	\$6,035	\$798	\$78,613	\$1,387	+28.8	-5.0
Buffalo	County	1,101,840	1,090,036	528,646	102,928	60,222	3,442	394,798	11,804	-3.5	-15.4
New Rochelle	City	92,070	91,342	48,742	12,619	9,035	0	20,946	728	+5.3	-4.2
New York	do	16,503,476	16,291,553	5,807,327	1,532,533	1,135,970	43,792	7,771,931	* 211,923	+1.0	-11.0
Niagara Falls	do	75,385	74,702	40,499	8,981	7,401	119	17,702	683	-9.0	-20.5
Rochester	do	560,940	558,140	272,577	111,560	37,276	2,378	134,352	2,800	-4.5	-9.3
Syracuse	County	417,669	414,651	169,270	72,534	19,714	1,498	151,635	3,018	+1.6	-18.7
Utica	City	134,358	132,222	43,490	30,721	13,264	311	44,436	2,136	-2.3	-5
Yonkers	do	221,410	219,779	93,571	20,035	18,808	511	86,854	1,631	-15.2	-22.7
North Carolina:											
Asheville	County	107,307	107,307	3,056	13,740	6,587	901	83,023	-----	+5.3	-8.2
Charlotte	do	114,181	113,694	4,547	17,835	8,005	1,408	81,899	487	+37.4	+44.6
Greensboro	do	84,236	84,172	3,886	16,734	8,853	1,238	53,461	64	-10.1	+4.3
Winston-Salem	do	132,043	130,850	9,932	14,724	7,583	915	97,696	1,193	+11.3	+23.4
Ohio:											
Akron	do	703,916	701,441	102,802	86,737	14,200	1,730	495,952	2,475	+5.1	-13.1
Canton	do	318,385	318,123	31,592	93,362	11,016	1,894	180,269	242	+1.6	-21.9
Cincinnati	do	977,544	964,771	230,592	206,651	37,364	5,023	485,141	12,773	-7	-7.9
Cleveland	do	2,538,100	2,501,193	643,256	256,170	107,072	8,903	1,485,702	36,907	-1.0	-23.4
Columbus	do	713,271	711,306	93,457	186,741	19,709	6,401	404,968	1,965	+2.4	-4.0
Dayton	do	466,164	464,612	91,548	133,240	12,902	2,490	224,432	1,532	-2.1	-13.1
Springfield	do	141,256	140,813	6,954	54,773	4,433	1,257	73,396	443	-1.9	-9.4
Toledo	do	715,397	714,857	76,777	145,056	16,113	4,530	472,361	540	-1.6	-26.3
Youngstown	do	298,676	298,424	46,697	54,904	11,302	3,413	182,108	252	+5	-22.7
Oklahoma: Tulsa	do	203,478	199,183	4,266	89,402	21,717	3,104	80,694	4,295	+6	+9
Oregon: Portland	do	540,851	539,304	77,685	155,809	24,704	4,644	276,462	1,547	+2.4	-9.3
Pennsylvania:											
Allentown	do	184,698	183,852	24,195	24,215	11,899	5,887	117,666	846	-2	-20.1
Altoona	do	276,710	276,643	41,191	32,709	24,790	6,846	171,107	67	+1.8	-10.8
Bethlehem	do	202,477	201,817	28,876	25,643	13,101	5,386	128,811	660	-1.0	-17.6
Chester	do	212,790	211,588	28,267	34,656	20,534	8,108	120,023	* 1,202	-4.2	-22.4
Erie	do	278,432	278,377	54,394	52,021	25,934	8,115	137,913	55	-19.3	-28.8
Johnstown	do	339,699	338,318	69,607	37,375	33,694	7,637	191,005	351	+2.4	-33.3
Philadelphia	do	4,141,307	4,098,924	1,780,098	509,388	459,150	60,513	1,269,775	* 42,383	-4.9	-16.0
Pittsburgh	do	2,928,862	2,910,976	964,036	288,609	208,768	35,221	1,411,342	-15,886	-7.8	-8.2
Reading	do	356,386	355,424	61,895	43,945	17,318	9,689	222,577	962	-23.4	-14.8
Scranton	do	874,316	871,391	374,139	17,956	60,185	11,188	353,923	* 2,925	+3.4	-2.5
Wilkes-Barre	do	1,075,925	1,074,362	422,127	83,593	76,959	15,663	476,020	1,563	-14.7	-8.8
Rhode Island: Providence	City	443,728	437,713	184,655	62,242	29,777	671	169,366	6,015	-1	+2
South Carolina: Charleston	County	147,414	146,896	2,621	8,756	4,283	717	130,519	518	-22.2	-7.8
Tennessee:											
Knoxville	do	147,769	147,769	1,482	17,924	20,600	747	107,016	-----	-31.7	+5.1
Memphis	do	260,348	256,749	2,138	50,823	24,804	3,092	175,892	3,599	-15.0	-18.5
Nashville	do	260,313	258,826	1,194	41,834	27,404	2,583	185,811	1,487	+9.9	+31.3
Texas:											
Dallas	do	311,455	309,256	18,757	83,469	729	-----	206,301	2,199	+4.6	+5
El Paso	do	125,679	125,269	240	9,330	-----	-----	115,709	410	+64.2	+72.9
Fort Worth	do	286,423	286,062	16,524	59,043	-----	-----	210,495	361	-13.3	-4.3
Houston	do	264,944	261,319	22,376	65,977	-----	-----	172,966	3,625	-7.0	-21.2
San Antonio	do	408,017	404,103	-----	65,812	-----	-----	338,291	3,914	+53.2	+35.7
Utah: Salt Lake City	do	384,976	383,444	65,055	109,609	49,665	1,768	157,347	* 1,532	+1.4	-6.3
Virginia:											
Norfolk	City	91,819	90,381	3,655	10,316	4,727	875	70,808	1,435	-9	+17.3
Richmond	do	235,439	233,076	11,997	14,675	8,585	1,119	196,700	5,363	+29.5	+59.6
Roanoke	do	27,574	27,574	1,538	5,107	3,095	467	17,367	-----	-23.4	+12.6
Washington:											
Seattle	County	806,091	799,565	78,815	257,315	39,719	8,385	435,331	* 6,526	+11.7	-2.1
Tacoma	do	319,124	319,124	22,831	98,799	17,869	2,705	176,929	-----	-14.7	-24.1
West Virginia: Huntington	do	110,289	109,734	7,729	11,946	6,259	870	82,930	555	+15.3	-28.0
Wisconsin:											
Kenosha	do	189,651	189,503	42,590	28,873	17,655	1,377	69,008	148	-13.2	-27.0
Madison	do	228,054	227,869	33,973	50,258	29,113	1,122	113,403	185	+4.6	-9.8
Milwaukee	do	1,585,667	1,575,690	434,009	240,103	101,429	9,487	790,662	9,977	-15.9	-21.3
Racine	do	143,303	142,239	27,345	30,525	20,765	963	62,641	1,064	-15.8	-32.1

¹ Excludes cost of administration; of materials, equipment, and other items incident to operation of work programs; and of transient care. Data for assistance programs differ from those for months prior to January 1940, because they include obligations incurred for burials, in addition to obligations incurred for money payments, assistance in kind, medical care, and hospitalization.

² Includes direct and work relief and statutory aid to veterans administered on basis of need.

³ Includes figures for areas in States with plans approved by the Social Security Board and for areas in States not participating under the Social Security Act.

⁴ Figures from the WPA, Division of Statistics; represent earnings of persons employed on projects operated by the WPA within these areas and cover all pay-roll periods ended during month. Figures are not available for these areas for earnings of persons employed on projects other than those operated by the WPA.

⁵ Includes direct and work relief and aid to veterans.

⁶ Includes estimate.

⁷ Includes Fulton and DeKalb counties.

⁸ Estimated.

⁹ Incomplete, because figures are not obtainable for 1 relief program.

projects and public general relief. Aggregate earnings of persons employed on WPA projects declined 3.2 percent to \$41.8 million, and general relief payments from public funds decreased 1.2 percent to \$22.6 million. The total amount of obligations incurred for payments to recipients of the special types of public assistance rose 0.8 percent to \$21.0 million. Payments for old-age assistance were 0.6 percent larger than in July, while expenditures for aid to dependent children and aid to the blind were 1.1 and 1.4 percent greater, respectively. The total amount spent for assistance from private funds was practically the same in both months.

Compared with the total sum expended for

Table 2.—Amount of public and private assistance and earnings of persons employed on projects operated by the Work Projects Administration in 116 urban areas, August 1940

[Corrected to Oct. 19, 1940]

Type of funds	Amount ¹	Percentage change from—		Percentage distribution—		
		July 1940	August 1939	August 1940	July 1940	August 1939
Total.....	\$86,240,179	-1.7	-11.5	100.0	100.0	100.0
Public.....	85,440,496	-1.7	-11.6	99.1	99.1	99.1
General relief ²	22,609,393	-1.2	-15.6	26.2	26.1	27.5
Special types of public assistance ³	21,019,037	+ .8	+11.9	24.4	23.8	19.2
Old-age assistance.....	14,926,432	+ .6	+13.5	17.3	16.9	13.5
Aid to dependent children ⁴	5,318,346	+1.1	+8.7	6.2	6.0	5.0
Aid to the blind ⁴	774,259	+1.4	+6.0	.9	.9	.7
WPA earnings ⁵	41,812,066	-3.2	-18.1	48.5	49.2	52.4
Private ⁶	779,683	+ .2	-4.8	.9	.9	.9

¹ Excludes cost of administration; of materials, equipment, and other items incident to operation of work programs; and of transient care. Data for assistance programs differ from those for months prior to January 1940, because they include obligations incurred for burials, in addition to obligations incurred for money payments, assistance in kind, medical care, and hospitalization.

² Includes direct and work relief and statutory aid to veterans administered on basis of need.

³ Includes \$6,092 administered by private agencies.

⁴ Includes figures for areas in States with plans approved by the Social Security Board and for areas in States not participating under the Social Security Act.

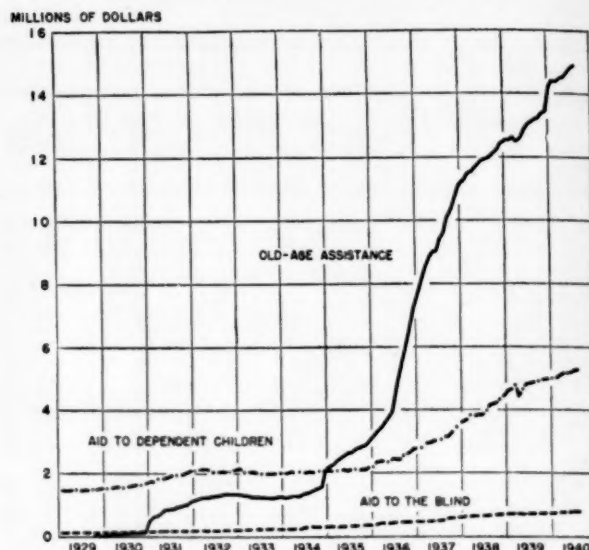
⁵ Figures from the WPA, Division of Statistics; represent earnings of persons employed on projects operated by the WPA within these areas and cover all pay-roll periods ended during month. Figures are not available for these areas for earnings of persons employed on projects other than those operated by the WPA.

⁶ Includes direct and work relief and aid to veterans.

⁷ Includes \$1,920 administered by public agencies. Includes estimate of \$138,657 of which \$130,786 represents expenditures of agencies for which monthly reports are not available.

⁸ Based on data from agencies reporting monthly.

Chart II.—Special types of public assistance in 116 urban areas, January 1929–August 1940



public and private assistance and WPA earnings in August 1939, the total expenditure in August of this year was smaller by 11.5 percent. The total amount earned on projects operated by the WPA was 18.1 percent below the August 1939 level, and expenditures for public general relief were 15.6 percent lower. Obligations incurred for the special types of public assistance totaled 11.9 percent more in August 1940. The increases from August a year ago amounted to 13.5 percent for old-age assistance, 8.7 percent for aid to dependent children, and 6.0 percent for aid to the blind. Total payments for private assistance were 4.8 percent smaller in August of this year.

In August 1940, earnings on WPA projects represented 48.5 percent of total expenditures, as compared with 52.4 percent in the same month a year earlier. The share of the total comprised of public general relief payments declined from 27.5 percent in August 1939 to 26.2 percent in August 1940, while that accounted for by payments for the special types of public assistance rose from 19.2 to 24.4 percent. Private assistance represented 0.9 percent of total payments in August of both years.

General Relief Operations of Public Agencies in Selected Large Cities, September 1940

Increased employment resulting from the national defense program and generally improved business conditions led to a decline in the demands on general relief agencies in September in most of the 19 large cities reporting on general relief operations. According to the United States Department of Labor, there was a gain of more than 600,000 jobs or about 2 percent in nonagricultural employment in the United States from August to September. The impact of improved business conditions is reflected in the movement of general relief cases to regular employment, in the transfer of general relief cases to the WPA rolls to replace workers obtaining private employment, and in a decline in applications for general relief in most of these large cities.

The number of cases closed because regular employment was obtained exceeded the number opened because of loss of such employment in 13 of the 17 cities for which such data are available. In the 4 cities where the number of cases opened because of loss of regular employment exceeded the number closed because regular employment was obtained, the net gain in case load for this reason was small. In addition, there was substantial shifting of general relief cases to the

WPA rolls. In September, transfer to the WPA of persons on general relief exceeded the reverse movement from the WPA to the general relief rolls in 18 of the 19 cities (tables 4 and 5).

The volume of applications received declined sharply from August to September in practically all 19 cities. This decline is appreciable even when allowance is made for the fact that there were fewer intake days in September than in the preceding month. It should be borne in mind, however, that a substantial proportion of applications for general relief are made by unemployable persons whose circumstances are only slightly affected by improved business conditions. In Baltimore the increase of 27 percent in the number of applications received reflects, in large part, an expansion in the number of applications for general relief to supplement payments for aid to dependent children; the number of general relief applications approved for supplementation of payments for aid to dependent children, included in table 4 under "All other reasons," increased significantly in September. Rochester, the only other city reporting an increase in applications in September, showed a gain of 7 percent.

The net effect of all factors affecting case loads was a reduction in 15 of the 19 cities. The reductions were moderate, ranging from less than 1 percent to 8 percent (table 6).

Table 3.—Applications received by agencies administering general relief in selected cities, September 1940

City	Pending at end of August	Received during September		Total during September	Disposed of during September				Pending at end of September
		Number	Percentage change from August		Total	Accepted for general relief	Not accepted for general relief		
							Number	Percent	
Baltimore.....	251	1,075	+26.7	1,327	1,100	840	1,260	23.6	227
Boston.....	87	1,216	-23.8	1,303	1,222	1,090	132	10.8	81
Buffalo ¹	385	1,477	-14.4	1,862	1,455	757	698	48.0	407
Chicago.....	8,778	7,373	-27.7	16,151	8,591	5,958	1,263	30.6	7,500
Cincinnati ²	180	1,562	-19.5	1,742	1,581	613	968	61.2	161
Cleveland.....	1,575	1,441	-37.0	3,016	2,098	736	1,362	64.9	918
Detroit.....	1,762	5,199	-26.6	6,961	5,780	2,294	3,486	60.3	1,181
District of Columbia ³	193	473	-16.7	666	461	183	278	60.3	205
Los Angeles ⁴	2,178	11,901	-15.6	14,079	12,275	4,879	1,739	60.3	1,804
Milwaukee ³	166	2,481	-2.9	2,647	2,497	2,013	484	19.4	180
Minneapolis.....	414	1,742	-10.4	2,156	1,646	1,203	443	26.9	510
Newark.....	327	1,029	-3.5	1,356	1,047	739	308	29.4	309
New Orleans.....	3,934	507	-10.9	4,441	340	144	196	57.6	4,101
New York.....	5,564	13,754	-15.7	19,318	14,221	6,919	7,302	51.3	5,097
Philadelphia.....	1,479	6,460	-8.3	7,939	6,386	3,621	2,765	43.3	1,553
Pittsburgh ²	1,061	3,707	-12.4	4,768	3,681	2,444	1,237	33.6	1,087
Rochester.....	101	860	+7.4	961	855	477	378	44.2	106
St. Louis ¹	549	1,429	-3.6	1,978	1,300	892	408	31.4	678
San Francisco.....	380	3,259	-21.6	3,639	3,455	1,123	1,232	67.5	184

¹ Includes cases accepted for other types of assistance.

² Figures relate to entire county in which city is located.

³ Accepts only unemployable cases.

⁴ Figures represent combined reports of 2 agencies—1 administering relief

to employable cases and 1 relief to unemployable cases. May include duplications because some cases may have applied to both agencies during month.

¹ Figures include cases receiving shelter care.

Change in Content of Data on Cases and Obligations

Beginning with September, data on cases and payments exclude cases receiving medical care, hospitalization, and/or burial only and total payments for such services to these cases and to cases also receiving money payments and/or assistance in kind. Four cities—Baltimore, Cincinnati, the District of Columbia, and New Orleans—have not made payments for medical care, hospitalization, or burial under the general relief program. Moreover, exclusion of such expenditures has only a slight effect on total general relief payments in nearly all the other cities. In September, expenditures for these services amounted to less than 3 percent of total payments in all but three cities—Newark, San Francisco, and Chicago—where they comprised

7, 5, and 4 percent, respectively. For purposes of comparison, data on medical care, hospitalization, and burials have been excluded from the August figures.

Change in Provisions for Unattached and Single Men in California

In August the California State Relief Administration put into operation a new policy concerning the care of single and unattached men, which provides that with some exceptions unattached men receiving general relief must accept placement in State relief administration camps. As a result of this change, most of the unattached and single men previously on the relief rolls were either transferred to the camp program or received no further assistance. The effect of the new policy on closings in the two California cities was more pronounced in August than in September.

Table 4.—Reasons for opening general relief cases in selected cities, September 1940

City	Cases opened		Accession rate ¹	Percent opened for specified reason			
	Number	Percentage change from August		Loss of regular employment	Loss of WPA employment	Cessation of unemployment benefits	All other reasons
Baltimore.....	840	+33.1	13.8	15.3	1.3	0.1	83.3
Boston.....	1,090	-17.5	7.6	54.5	13.3	.6	31.6
Buffalo ²	767	-18.2	4.7	43.1	4.0	8.0	44.9
Chicago.....	5,958	-32.0	6.5	10.9	68.3	4.7	16.1
Cincinnati ³	613	-26.7	7.7	8.3	13.9	1.8	76.0
Cleveland.....	736	-48.3	3.3	21.6	39.5	2.6	36.3
Detroit.....	2,294	-31.1	12.5	17.8	20.5	4.8	56.9
District of Columbia ⁴	183	-3.7	9.1				100.0
Los Angeles.....	4,879	+6	12.1	(⁵)	17.3	(⁵)	(⁵)
Milwaukee ³	2,013	+2	12.4	23.5	9.1	1.6	65.8
Minneapolis.....	1,203	-19.2	12.0	25.5	9.1	2.2	63.2
Newark.....	739	-9.9	6.2	31.5	11.0	3.5	54.0
New Orleans.....	144	+34.6	5.5		5.6		94.4
New York.....	6,919	-13.4	4.7	25.8	14.8	13.4	46.0
Philadelphia.....	3,621	-14.1	7.0	30.7	30.2	4.6	34.5
Pittsburgh ³	2,444	-14.8	8.3	31.5	34.8	7.8	25.9
Rochester.....	477	+39.9	6.5	33.3	6.1	7.8	52.8
St. Louis ⁴	892	-9.8	13.1	12.4	47.2	1.5	38.9
San Francisco.....	1,123	-9.1	12.7	(⁵)	16.1	2.0	(⁵)

¹ Cases opened as a percent of average number of cases open at beginning and end of month.

² Includes cases opened because of insufficient earnings.

³ Figures relate to entire county in which city is located.

⁴ Accepts only unemployable cases.

⁵ Not available.

⁶ Figures include cases receiving shelter care.

Table 5.—Reasons for closing general relief cases in selected cities, September 1940

City	Cases closed		Separation rate ¹	Percent closed for specified reason						
	Number	Percentage change from August 1940		Regular employment obtained	Increased earnings or income	Transfer to the WPA	Receipt of unemployment benefits	Receipt of old-age retirement and survivors benefits	Transfer to special types of public assistance	All other reasons
Baltimore	752	+0.4	12.3	7.3	0.7	12.4	0.3	0.1	4.1	75.1
Boston	1,136	-53.6	7.9	46.7		28.4	1.5		10.3	13.1
Buffalo ²	1,210	+62.0	7.5	39.8	20.2	17.8	2.5	.2	2.9	16.6
Chicago	10,418	+186.8	11.3	10.5	3.4	75.9	.4		2.0	7.8
Cincinnati ³	1,000	+13.5	12.5	17.6	4.2	42.0	1.4		3.0	31.8
Cleveland	1,551	+13.5	7.0	28.4	4.0	35.2	1.7	.1	3.7	26.9
Detroit	2,786	-7.1	15.2	28.5	5.0	38.4	3.5		7.2	17.4
District of Columbia ⁴	146	-33.9	7.2	8.2	6.8	4.1	2.1		17.8	61.0
Los Angeles ⁵	5,655	-34.0	14.0	20.0	2.0	34.0	1.8	.2	5.0	37.0
Milwaukee ⁶	2,331	-18.9	14.3	29.1	1.7	16.9	1.1	(⁷)	2.2	49.0
Minneapolis	1,420	+2.7	14.1	17.4	7.5	18.2	1.6		1.6	53.7
Newark	1,425	+23.0	12.1	27.0	2.2	31.7	2.2	1.5	2.7	32.7
New Orleans	69	(⁷)	2.7	15.9	10.2	21.8			15.9	36.2
New York	6,140	-32.2	4.2	35.9	10.5	24.7	3.4	.2	4.9	20.4
Philadelphia	6,471	-3.1	12.5	28.0	6.9	35.4	2.7	(⁷)	13.9	13.1
Pittsburgh ⁸	4,085	-10.9	13.9	24.9	7.1	44.1	2.6		9.5	11.8
Rochester	444	-34.2	6.0	44.4	11.2	24.8	2.5		4.7	12.4
St. Louis ⁹	625	+13.4	9.2	10.9	.1	53.0	1.7		18.6	15.7
San Francisco	1,491	-28.6	16.8	13.9	2.4	36.4	1.4		3.2	42.7

¹ Cases closed as a percent of average number of cases open at beginning and end of month.

² Includes cases transferred to the NYA and CCC.

³ Figures relate to entire county in which city is located.

⁴ Accepts only unemployable cases.

⁵ Less than 0.1 percent.

⁶ Increase. Percentage change not computed, because less than 100 cases closed.

⁷ Figures include cases receiving shelter care.

Table 6.—Number of cases receiving general relief, amount of relief, and average amount per family and one-person case in selected cities, September 1940¹

City	Number of cases receiving relief	Amount of relief ²	Average amount		Percentage change from August 1940 in—	
			Per family case	Per one-person case	Number of cases	Amount of relief
Baltimore	6,748	\$156,193	(³)	(³)	+3.7	+4.6
Boston	15,485	373,376	\$27.25	\$19.08	-8.0	-9.9
Buffalo ⁴	15,648	\$11,453	\$40.63	\$17.27	-5.5	-2.0
Chicago	88,989	\$2,302,043	(³)	(³)	-4.4	-10.4
Cincinnati ⁵	7,533	177,991	26.51	16.51	-3.1	-1
Cleveland	20,688	451,944	28.84	14.00	-3.9	-10.5
Detroit	18,048	600,018	(³)	(³)	-3.4	-3.4
District of Columbia ⁶	1,884	45,931	29.91	18.80	+2.3	+5.9
Los Angeles ⁷	43,580	1,351,131	39.22	16.95	-3.4	-2.3
Milwaukee ⁸	18,041	401,329	27.65	12.29	-4.4	-8.7
Minneapolis	10,424	232,454	(³)	(³)	-4.0	-4.6
Newark	12,220	338,555	33.17	18.95	-5.0	-5.6
New Orleans	2,453	51,278	26.20	17.60	+3.0	+1.5
New York	151,644	5,895,013	\$45.36	\$27.61	-8	+3.1
Philadelphia	55,202	1,414,189	(³)	(³)	-6.1	-19.1
Pittsburgh ⁹	31,656	753,186	(³)	(³)	-7.2	-20.2
Rochester	7,018	236,543	\$38.70	\$17.68	-1.4	-1.4
St. Louis	6,216	114,993	20.88	9.95	+4.4	+1.5
San Francisco	9,772	262,405	40.24	18.95	-4.9	-4.8

¹ Data differ from those published for January–August 1940, because they exclude cases receiving medical care, hospitalization, and/or burial only and total payments for such services to these cases and to cases also receiving money payments and/or assistance in kind. They also differ from data published for months prior to 1940 which included cases receiving medical care only and total payments for medical care.

² Excludes cost of administration; of medical care, hospitalization, and burial; of materials, equipment, and other items incident to operation of work-relief programs; and of special programs.

³ Not available.

⁴ Figures relate to entire county in which city is located.

⁵ Includes cases receiving medical care only in number believed by State agency to be insignificant.

⁶ Based on data which are estimated to exclude obligations incurred for medical care, but not cases receiving medical care only; see footnote 5.

⁷ Includes cases receiving aid from special departments.

⁸ Accepts only unemployable cases.

⁹ Includes duplications, since in some cases relief was granted more than once during month.

¹⁰ Excludes 906 shelter cases receiving \$5,590.

ANNOUNCEMENT OF PUBLICATION OF "TRENDS IN PUBLIC ASSISTANCE, 1933-39"

A comprehensive record of recipients and payments under State and Territorial programs for the special types of public assistance and general relief is now available in "Trends in Public Assistance, 1933-39," Bureau Report No. 8 of the Bureau of Research and Statistics of the Social Security Board. This report presents monthly State data on old-age assistance, aid to dependent children, and aid to the blind for the period January 1936-December 1939, similar data on general relief for the period March 1937-December 1939, and data on each of these assistance programs by counties or other local subdivisions for December 1939. The report also summarizes and presents revised figures on recipients and payments under Federal work programs and Federal, State, and local assistance programs in the continental United States during the 7-year period 1933-39.

A limited number of copies of the report are available for distribution without charge to persons and agencies participating in the administration of public welfare programs; requests should be directed to the Division of Public Assistance Research, Bureau of Research and Statistics, Social Security Board, Washington, D. C. Copies of the report may also be purchased from the Superintendent of Documents, Government Printing Office, Washington, D. C., at 20 cents each. Orders, accompanied by remittances, should be addressed directly to that office.

OLD-AGE AND SURVIVORS INSURANCE

BUREAU OF OLD-AGE AND SURVIVORS INSURANCE • ANALYSIS DIVISION

OPERATIONS UNDER THE SOCIAL SECURITY ACT

Employers, Employees, and Taxable Wages

Summary data on the number of employers and employees and the amount of taxable wages reported under the old-age and survivors insurance program will be presented quarterly, beginning with this issue.¹ Quarterly tax reports filed by employers with the Bureau of Internal Revenue and the quarterly and annual tabulations subsequently derived from them furnish the bases of this material. Only annual data are presented for 1937 since itemized tax reports were made semiannually for this year and cannot be allocated to quarterly periods. It is estimated that the tabulations, because of delinquent reporting by some employers, lack between 1 and 5 percent of the total wage items expected for a period; the data were therefore adjusted upward to account for this difference. Employer reports for all quarters of 1938 and 1939 are still being received. Since a longer period of time has elapsed for reports due in the earlier quarters, adjustments are negligible for the 4 quarters of 1938; even for the later periods they represent only a small fraction of the total.

The general upward movement during 1938-40 in the number of employers, the total number of employees, and the total amount of taxable wages probably reflects primarily improving business conditions. Some of the increase from 1938 may be accounted for by the inclusion in 1939 and thereafter of persons aged 65 and over and in 1940 of employers and employees in the banking, maritime, and fishing industries. The smaller number of employers in the first quarter of both 1939 and 1940 than in the preceding quarter may be partially accounted for by the relatively low seasonal activity in the first quarter of a year, when many small employers have no taxable wages to report. Another factor may be business failures, which usually reach a peak in the early part of the year.

The decline in the number of workers employed

on the last day or pay roll of the fourth quarter of 1938 and 1939, in contrast to a rise in the total number of workers employed in the fourth quarter, may result from the usual post-Christmas holiday decrease in employment and from the closing of some establishments at the end of December for inventory purposes.

The annual as well as the quarterly employment data indicate to some extent the amount of labor turn-over in covered industry during a year or quarter. In 1938, about 31.2 million persons earned wages in covered employment. This number is 17 percent greater than the number working at some time during the fourth, or peak, quarter of 1938 and 24 percent greater than the number working at some time during the first, or lowest, quarter. In 1939, the total number of workers who earned taxable wages during the year was about 14 percent greater than the number employed during the fourth quarter and 30 percent

Table 1.—Number of employers and employees and amount of taxable wages included under the old-age and survivors insurance program, for specified periods, 1937-40¹

Year and quarter	Number of employers reporting taxable wages ² (in thousands)	Number of employees earning taxable wages		Amount of taxable wages	
		On last day or pay roll of quarter (in thousands)	Total during year or quarter (in thousands)	Total (in millions)	Average per employee
1937.....	(?)	-----	32,800	\$29,300	\$893
1938.....	(?)	-----	31,200	26,200	840
January-March.....	1,744	23,000	25,100	6,447	257
April-June.....	1,790	23,000	25,100	6,523	260
July-September.....	1,813	23,800	25,900	6,505	251
October-December.....	1,831	23,600	26,700	6,725	252
1939.....	(?)	-----	33,600	29,200	869
January-March.....	1,813	24,300	25,900	7,038	272
April-June.....	1,877	25,300	27,300	7,219	284
July-September.....	1,917	26,000	28,100	7,502	267
October-December.....	1,941	25,700	29,400	7,441	253
1940:					
January-March.....	1,926	26,700	28,400	8,061	284
April-June.....	1,981	26,600	28,900	8,233	285

¹ Data partly estimated. See text.

² Number of employers corresponds to number of employer returns. A return may relate to more than 1 establishment if employer operates several separate establishments but reports for concern as a whole.

³ Data not available.

greater than during the first quarter. Moreover, about 10 percent more workers were employed during each quarter than on the last day or pay roll of the quarter. These percentages represent about 4 to 8 million persons on an annual basis and about 2 to 4 million persons on a quarterly basis whose employment is for the most part irregular or seasonal.

Average wages should be interpreted with caution inasmuch as these wages do not represent the total earnings or other income of the workers to whom taxable wages were paid. The comparison of average taxable wages from quarter to quarter is also affected by two factors. Wages over \$3,000 a year paid to an employee by a single employer in 1937, 1938, and 1939 and by all employers in 1940, are not taxable. Consequently after the first \$3,000 was reported, the employee who earned more than this amount was excluded from subsequent tax returns. Thus the proportion of these higher paid workers who are excluded increases from quarter to quarter within each year. This condition must have increased somewhat the average for the initial quarters. The extent of part-time or intermittent employment which varies from quarter to quarter also affects the average taxable wage for a particular quarter. The reduction in the average annual taxable wage from 1937 to 1938 may be attributed largely to the business recession. The average rose between 1938 and 1939 but not to the 1937 level. A continuation of the upward movement is indicated by the averages of the first 2 quarters of 1940. The lower average wages for the fourth quarter of both 1938 and 1939 may be partially accounted for by the larger number of seasonal and holiday workers on part-time or short-time jobs in that quarter.

Employee Accounts Established

The number of employee accounts established in September amounted to nearly 444,000 (table 2) or 14 percent less than in August. This seasonal decline, which has occurred each September for the past 3 years, follows a continuous rise in accounts established during June, July, and August and may be partly accounted for by the reopening of schools for the fall term. Young people of school age constitute a large proportion of applicants for account numbers during the summer.

Claims for Benefits Allowed, January-September 1940

Table 3 presents data, by type of benefit and by State of residence of the beneficiary, on the number of old-age and survivors insurance claims allowed under the amended act for the first 9 months of 1940 and the monthly or lump-sum amount payable. The basis for tabulation is

Table 2.—Employee accounts established by States in which account numbers were issued, September 1940¹

Social Security Board region and State	Number of accounts
Total.....	443,874
Region I:	
Connecticut.....	7,143
Maine.....	2,868
Massachusetts.....	13,681
New Hampshire.....	1,450
Rhode Island.....	2,614
Vermont.....	976
Region II:	
New York.....	46,392
Region III:	
Delaware.....	1,194
New Jersey.....	13,007
Pennsylvania.....	27,844
Region IV:	
District of Columbia.....	3,175
Maryland.....	8,115
North Carolina.....	18,307
Virginia.....	10,331
West Virginia.....	6,079
Region V:	
Kentucky.....	6,765
Michigan.....	19,598
Ohio.....	20,204
Region VI:	
Illinois.....	29,458
Indiana.....	12,547
Wisconsin.....	8,467
Region VII:	
Alabama.....	12,909
Florida.....	8,144
Georgia.....	13,406
Mississippi.....	9,414
South Carolina.....	6,925
Tennessee.....	10,587
Region VIII:	
Iowa.....	6,462
Minnesota.....	6,405
Nebraska.....	3,407
North Dakota.....	1,365
South Dakota.....	1,391
Region IX:	
Arkansas.....	7,963
Kansas.....	4,995
Missouri.....	12,223
Oklahoma.....	5,567
Region X:	
Louisiana.....	7,892
New Mexico.....	1,555
Texas.....	19,167
Region XI:	
Arizona.....	1,175
Colorado.....	3,524
Idaho.....	2,085
Montana.....	1,588
Utah.....	1,766
Wyoming.....	703
Region XII:	
California.....	21,376
Nevada.....	323
Oregon.....	4,398
Washington.....	5,664
Territories:	
Alaska.....	378
Hawaii.....	602

¹ Number of accounts established should not be taken as a measure of the number of persons newly engaged in employment covered by title II, since account numbers are issued to some persons who are not in such employment.

Table 3.—Claims for benefits under the 1939 amendments: Number allowed and monthly or lump-sum amount payable,¹ by type of benefit and by States,² January–September 1940

[Data corrected to Oct. 24, 1940]

Social Security Board region and State	Monthly benefits														Lump-sum death payments	
	Total				Primary		Wife's		Child's		Widow's		Widow's current		Parent's	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number ³	Amount
Total	184,717	\$3,451,942	100,411	\$2,281,386	24,815	\$302,883	40,606	\$496,775	2,613	\$53,443	15,724	\$310,272	548	\$7,183	49,913	\$6,243,947
Region I: Connecticut	3,656	70,012	1,856	43,655	567	7,140	802	10,435	93	1,910	332	6,777	6	95	1,051	135,900
Maine	1,571	27,823	751	19,909	234	2,754	255	2,801	28	524	100	1,800	3	35	315	36,159
Massachusetts	9,764	191,784	5,621	132,307	1,648	20,863	1,645	21,211	171	3,562	666	13,653	13	188	2,209	279,608
New Hampshire	1,495	28,264	859	18,704	269	3,066	273	2,808	14	259	78	1,400	2	27	317	35,077
Rhode Island	1,757	33,483	1,005	23,207	329	4,071	278	3,381	37	745	103	2,019	5	60	428	52,321
Vermont	1,728	12,982	1,111	8,870	111	1,285	134	1,581	12	281	51	965	0	0	135	15,955
Region II: New York	24,794	602,274	14,511	347,638	3,703	46,823	4,203	57,334	381	8,049	1,925	41,406	71	1,024	6,077	817,313
Region III: Delaware	8,481	8,664	284	5,928	73	846	82	1,033	11	218	30	649	1	10	132	14,954
Pennsylvania	7,719	157,550	4,271	104,971	1,185	15,589	1,438	19,470	158	3,444	646	13,779	21	297	2,256	299,038
Region IV: District of Columbia	20,145	376,977	10,556	243,964	2,983	35,185	4,594	56,657	303	6,257	1,746	34,001	63	863	5,432	677,750
Pennsylvania	7,088	13,513	384	8,953	73	896	108	1,225	14	306	68	1,352	1	11	281	35,485
Maryland	2,539	46,205	1,347	29,617	307	3,625	582	7,147	51	1,022	242	4,753	10	131	948	114,835
North Carolina	3,202	46,708	1,467	27,704	805	3,032	1,105	10,293	25	450	290	4,579	10	120	962	100,790
Virginia	2,725	43,180	1,194	24,231	230	2,544	1,060	10,283	24	479	314	4,776	13	166	954	104,065
West Virginia	3,028	49,397	1,185	25,542	276	3,217	1,165	13,386	24	461	372	6,723	6	68	766	90,522
Region V: Kentucky	2,920	47,139	1,380	28,434	316	3,452	1,907	9,700	26	531	278	4,840	13	152	709	81,286
Michigan	6,822	127,247	3,221	74,273	862	10,623	1,875	24,684	104	2,101	741	15,312	19	254	2,241	292,480
Ohio	12,520	241,533	6,845	159,273	1,525	22,728	2,597	33,880	206	4,326	1,013	20,865	34	461	3,305	437,683
Region VI: Illinois	12,653	251,181	7,072	167,483	1,984	21,275	2,573	34,557	181	3,706	1,101	23,537	42	593	3,867	507,754
Indiana	4,132	94,962	2,752	61,150	731	8,783	1,141	14,370	68	1,390	457	9,042	19	217	1,446	180,450
Wisconsin	4,493	86,522	2,490	58,237	731	9,289	82	1,308	81	1,674	342	6,831	7	81	703	83,634
Region VII: Alabama	2,769	42,975	1,358	26,457	239	2,487	19	341	19	286	284	4,831	3	41	560	59,509
Florida	2,043	35,586	1,154	23,067	209	2,499	861	8,446	16	343	259	4,276	16	183	331	41,806
Georgia	1,091	15,597	524	9,669	82	772	354	3,225	7	120	117	1,753	7	58	331	31,806
Mississippi	1,552	21,958	695	13,039	146	1,430	819	4,711	12	164	108	2,483	12	131	499	46,700
South Carolina	2,487	43,047	1,392	27,426	284	3,779	773	7,813	30	518	245	4,055	14	156	798	85,027
Tennessee	2,487	43,932	1,439	30,003	376	4,276	467	5,636	30	588	109	3,358	6	71	602	73,484
Region VIII: Iowa	3,000	59,369	1,707	40,288	440	5,584	565	7,484	43	932	240	5,017	5	64	665	88,828
Minnesota	1,064	19,654	532	13,806	165	1,909	191	2,402	12	246	62	1,295	2	25	218	26,240
Nebraska	1,234	4,045	128	3,750	19	223	65	685	1	17	21	370	0	0	45	9,074
North Dakota	1,110	16,807	575	10,771	115	1,169	58	718	2	42	21	370	0	0	45	9,074
Region IX: Arkansas	316	5,839	183	4,032	52	648	58	685	1	17	21	370	0	0	45	9,074
Kansas	1,110	16,807	575	10,771	115	1,169	58	718	2	42	21	370	0	0	45	9,074
Texas	1,739	30,603	992	20,969	240	2,096	339	3,841	25	497	112	1,828	3	30	313	31,680
Missouri	4,492	83,620	2,646	57,894	618	7,414	818	10,154	74	1,340	326	6,531	16	190	1,397	187,801
Oklahoma	1,556	27,231	744	16,251	148	1,719	443	5,304	17	437	336	6,531	2	28	397	53,015
Region X: Louisiana	1,963	31,808	923	18,808	182	1,983	599	6,545	21	402	228	4,002	10	128	699	78,194
New Mexico	1,284	4,791	143	3,039	23	310	88	926	0	0	29	496	1	20	77	10,027
Texas	5,020	84,582	2,457	51,551	451	4,956	1,492	16,747	38	749	564	10,370	18	209	1,549	179,780
Region XI: Arizona	4,320	7,518	2,053	4,002	35	420	140	1,711	17	41	112	768	0	0	119	13,777
Colorado	1,313	25,185	763	17,532	157	1,999	256	3,039	22	464	112	2,115	3	36	333	43,779
Idaho	497	8,373	241	4,411	50	581	121	1,504	4	77	44	801	0	0	111	14,423
Montana	497	9,402	260	4,474	55	731	104	1,349	7	142	44	801	15	156	20	160
Utah	716	12,938	313	7,260	82	1,011	226	2,784	6	132	87	1,707	2	24	180	21,417
Wyoming	258	4,743	111	2,513	19	237	87	1,148	2	31	39	814	0	0	65	9,096
Region XII: California	10,677	215,258	6,711	156,907	1,329	16,788	1,743	23,093	128	2,620	730	15,342	36	508	2,691	368,166
Nevada	114	2,228	57	1,354	6	72	38	599	1	16	12	277	0	0	44	4,956
Oregon	1,753	32,967	1,050	23,414	252	3,010	303	3,682	20	387	120	2,067	8	107	383	40,645
Washington	2,884	56,638	1,060	23,414	401	4,933	454	5,793	34	648	199	4,077	10	130	627	82,122
Territories: Alaska	30	641	16	394	0	0	10	172	0	0	4	105	0	0	15	2,019
Hawaii	477	7,340	214	4,352	19	172	202	2,077	1	12	41	727	0	0	91	9,823
Foreign	163	2,627	82	1,585	20	223	41	466	2	41	17	302	1	10	125	13,583

¹ Represents all claims allowed during 9 months and monthly amount payable without adjustments required by sec. 203 (mbsec. d, e, g, and h) or sec. 907 of the Social Security Act Amendments of 1939.

² Distribution based on residence of claimant at time claim was filed.

³ Represents number of payees, which may exceed number of deceased workers with respect to whose wage records payments were allowed.

Table 4.—Distribution of claims and amount payable for monthly benefits allowed under the 1939 amendments, by type of beneficiary, January–September 1940

Type of beneficiary	Claims		Benefits payable ¹		Average amount ²
	Number	Percent	Amount	Percent	
Total.....	184,717	100.0	\$3,451,942	100.0	\$18.69
Retired workers, aged 65 or over.....	100,411	54.4	2,281,386	66.1	22.72
Wives, aged 65 or over.....	24,815	13.4	302,883	8.8	12.21
Children under age 18.....	40,606	22.0	496,775	14.4	12.23
Widows, aged 65 or over.....	2,613	1.4	53,443	1.5	20.45
Widows with children under age 18.....	15,724	8.5	310,272	9.0	19.73
Dependent parents, aged 65 or over.....	548	.3	7,183	.2	13.11

¹ Without adjustments required by amendments.

² For interpretation of averages, see the *Bulletin*, July 1940, pp. 73–75.

similar to that for the data published for the first 6 months (August Bulletin, p. 63).

As was true for January–June, the majority of monthly claims allowed relate to retired workers over 65 (table 4). Approximately 70 percent of the beneficiaries are individuals aged 65 or over, including wives, widows, and parents as well as

retired workers. There is no significant variation in the average monthly benefits of various types allowed in the first 9 months as compared with those allowed in the first 6 months.

Almost half of the beneficiaries at the time of filing their claims were concentrated in the six States of California, Illinois, Massachusetts, New York, Ohio, and Pennsylvania.

Disposition of Claims Received

A total of 31,500 claims for benefits under the 1939 amendments was received in Washington in September (table 5) and represented a decline of 11 percent from August. This number was less than that received in any month since April. All types of claims except widow's claims participated in the September decrease.

More claims were disposed of in September than in any previous month with the result that fewer claims were pending than in any month since April. A smaller proportion of the claims allowed in September than in previous months related to primary benefit claims.

Table 5.—Claims for benefits under the 1939 amendments: Number and disposition of claims received in Washington, cumulative through September 1940 and for September 1940

Type of benefit claim	Cumulative through September				September				Pending as of Sept. 30
	Received	Allowed	With-drawn	Disallowed	Received	Allowed	With-drawn	Disallowed	
Total.....	285,135	238,578	5,631	10,867	31,500	37,856	717	2,328	30,059
Primary.....	121,029	101,779	3,949	3,898	10,530	13,641	430	758	11,403
Wife's.....	29,373	25,421	486	570	3,210	4,256	60	130	2,896
Child's.....	50,546	41,600	773	1,878	5,954	6,797	131	410	6,295
Widow's.....	3,475	2,674	23	153	647	658	6	40	625
Widow's current.....	18,962	16,263	120	592	2,258	2,687	35	149	2,017
Parent's.....	1,239	644	27	233	160	155	8	120	335
Lump-sum.....	60,481	50,197	253	3,543	8,741	9,662	47	721	6,488

OPERATIONS UNDER THE RAILROAD RETIREMENT ACT*

Payments Certified to the Treasury

Total benefit payments certified to the Treasury in September 1940 (table 1), amounting to \$10.1 million, were 1.3 percent larger than in August, 8.3 percent more than September a year ago, and 6.0 percent more than the monthly average for the fiscal year ended June 30, 1940. For the first time monthly payments of the railroad retirement system exceeded \$10.0 million. The increase in total benefit payments in September was due almost entirely to increases in employee annuities and lump-sum death benefits. Minor increases were also reported for survivor and death-benefit annuities. As usual, pension payments to former carrier pensioners showed a decline. Total payments authorized by the Board since the beginning of the railroad retirement system for all classes of benefits have amounted to \$338.2 million.

Changes in Annuities and Pensions in Force

The number of employee annuities in force on September 30, 1940, was 1,187 greater than on August 31 (table 2). Net monthly additions to the total number of employee annuities in force have been decreasing, principally because of the

increasing number of deaths among the growing annuitant population, while the trend in the number of new certifications has been slightly downward. The net addition in September resulted from 1,791 new certifications, 594 deaths, and certain minor adjustments. Net monthly additions to the number of employee annuities in force averaged 2,276 in the fiscal year ended June 30, 1939, and 1,324 in the year ended June 30, 1940.

The number of survivor annuities in force increased by 39 in September over August. Death-benefit annuities in force increased by 8, while the number of pensions decreased by 263. For all annuities and pensions the number in force on September 30 was 971 larger than on August 31.

Average Payments

The average of the employee annuities initially certified in September was \$63.79. Approximately 23 percent of the annuities initially certified in September were subject to recertification because complete evidence on service, earnings, and other information relating to the amount payable was not on hand at the time of initial certification. It is estimated that the average monthly amount of all initial certifications will increase from 2 to 2½ percent when those subject to recertification have been finally certified.

*Prepared by the Bureau of Research and Information Service, Railroad Retirement Board, in collaboration with the Bureau of Research and Statistics, Social Security Board.

Table 1.—Railroad retirement: Benefit payments certified to the Secretary of the Treasury, by class of payment for specified periods, 1936-40¹

Period and administrative action	Total payments	Employee annuities	Pensions to former carrier pensioners	Survivor annuities	Death-benefit annuities	Lump-sum death benefits
Net benefit payments:						
Cumulative through September 1940.....	\$338, 154, 367	\$234, 091, 003	\$95, 605, 724	\$2, 373, 631	\$1, 990, 759	\$4, 063, 243
Fiscal year:						
1936-37.....	4, 514, 617	4, 409, 019	34, 701, 617	26, 751	68, 846	35, 017
1937-38.....	82, 654, 660	46, 930, 329	28, 887, 973	388, 479	599, 217	1, 320, 976
1938-39.....	107, 131, 438	75, 418, 986	25, 975, 863	787, 240	716, 261	2, 111, 590
1939-40.....	114, 025, 141	84, 529, 592	6, 040, 270	912, 895	495, 200	625, 664
1940-41 (through September).....	29, 828, 510	22, 803, 076		248, 264	111, 234	
August 1940.....	9, 940, 470	7, 621, 295	2, 017, 816	81, 402	36, 894	183, 062
In-force payments.....	9, 244, 057	7, 115, 058	2, 023, 631	79, 231	26, 135	
Retroactive payments.....	579, 761	552, 338	12, 266	3, 943	11, 212	
Lump-sum death-benefit payments.....	184, 026					184, 026
Cancellations and repayments (deduct).....	67, 375	46, 102	18, 082	1, 772	453	964
September 1940.....	10, 069, 473	7, 698, 727	1, 997, 134	83, 687	37, 043	232, 880
In-force payments.....	9, 309, 763	7, 193, 887	2, 009, 191	80, 173	26, 512	
Retroactive payments.....	562, 965	546, 714	1, 447	3, 926	10, 876	
Lump-sum death-benefit payments.....	252, 881					252, 881
Cancellations and repayments (deduct).....	56, 136	41, 873	13, 503	412	345	0

¹ For definitions of classes of payments see the *Bulletin*, July 1939, p. 7. Cents are omitted in all figures. Data relate to months ended on 20th calendar day.

² Total benefit payments certified to the Secretary of the Treasury are \$6.1 million more than total benefit payments issued by disbursing officer

as shown on p. 96, table 4. This difference results almost entirely from payments for annuities and pensions in force at end of month which are certified to the Secretary of the Treasury during month and for which checks are not drawn by disbursing officer until first of following month.

For all employee annuities in force at the end of September, including those subject to recertification, the average was \$65.56. The average monthly pension in force was \$58.73. For survivor annuities the average monthly payment amounted to \$32.88, and for death-benefit annuities, to \$35.97. During September, 1,294 lump-sum death benefits were certified at an average payment of \$195.25.

Distribution of Benefit Payments by States

Table 3 shows by States the number and the monthly amount payable for each of the several types of retirement and death-benefit annuities in force as of June 30, 1940, and the lump-sum death benefits paid during the fiscal year 1939-40. In general, the distribution of retirement and death benefits parallels the distribution of railroad employment and compensation on class I railroads in 1937. Five States—Pennsylvania, New York, Illinois, Ohio, and California—which reported 37.8 percent of class I railroad employees and 39.9 percent of their wages in 1937,¹ account for 40.2 percent of all employee annuitants and for 42.6 percent of the monthly amount payable as of June 30, 1940. In the case of pensions these

¹ Association of American Railroads, Bureau of Railway Economics, *A Review of Railway Operations in 1937*, p. 39.

five States account for 45.5 percent of the total number of pensioners and 47.3 percent of all pensions payable. Except for California, the greater concentration of pensions than of annuities in these States arises from the fact that private pension plans, from which the Board took over the pension beneficiaries, had developed more extensively in the States which contain the older and larger railroads. In the case of California, many pensioned employees had probably moved there from their original place of work.

The distribution of lump-sum death benefits paid during 1939-40 in the five leading States is similar to the distribution of employment and compensation of class I railroads in 1937. There is practically no difference in the distribution of all annuities and pensions by States at the end of June 1940 as compared with the end of June 1939.

Prior-Service Records

By a joint resolution approved by the President on October 9, 1940,² Congress set aside \$9 million of the amount appropriated for the railroad retirement account for 1940-41 to enable the Railroad Retirement Board to assemble individual records of service and compensation prior to January 1, 1937, from the files of employers subject to the act

² Public Res. 102, 76th Cong., 3d sess.

Table 2.—Railroad retirement: Number of annuities and pensions in force and monthly amount payable at end of August and September 1940, and number of certifications and terminations during and cumulative through September 1940¹

Period and administrative action	Total		Employee annuities ¹		Pensions to former carrier pensioners		Survivor annuities		Death-benefit annuities ¹	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
In force as of Aug. 31, 1940.....	146,152	\$9,244,057	108,551	\$7,115,038	34,473	\$2,023,631	2,399	\$79,231	729	\$26,135
During September 1940: ⁴										
Initial certifications.....	1,924	118,501	1,791	114,240	4	244	43	1,081	86	2,935
Terminations by death.....	947	58,359	594	40,770	271	14,890	5	166	77	2,531
Net adjustments.....	-6	+5,563	-10	+5,358	+4	+204	+1	+27	-1	-27
Cumulative through September 1940: ⁴										
Initial certifications.....	185,480	11,041,317	129,550	7,972,568	48,509	2,808,400	2,566	83,715	4,855	176,633
Terminations by death.....	37,941	2,207,663	19,425	1,254,552	14,275	798,396	124	3,973	4,117	150,742
Net adjustments.....	-416	+476,110	-387	+475,871	-24	-812	-4	+430	-1	+621
In force as of Sept. 30, 1940.....	147,123	9,309,763	109,738	7,193,887	34,210	2,009,191	2,438	80,173	737	26,512

¹ Figures (cents omitted) based on month ended on 20th calendar day in which annuity or pension was first certified or terminated upon notice of death, or in which other administrative action was taken by the Board rather than on month in which annuity or pension began to accrue, beneficiary died, or administrative action was effective. In-force payments as of end of month reflect administrative action through the 20th. Correction for a claim certified or terminated in error or for an incorrect amount is made in figures for month in which error was discovered and not in figures for month in which error was made. To this extent, figures shown here may differ slightly from administrative action.

² For definitions of types and bases of certification of employee annuities, see the *Bulletin*, July 1939, pp. 15-19.

³ In a few cases payments are made to more than 1 survivor on account of

death of 1 individual. Such payments are here counted as single items. Terminations include those by death and by expiration of 12-month period for which death-benefit annuities are payable. Practically all terminations are of latter type.

⁴ Certifications are added, terminations by death are subtracted, and net adjustments are added or subtracted as indicated. Net adjustments are obtained by adding reinstatements of suspended payments and subtracting terminations for reasons other than death (suspensions, returns to service, and commuted lump-sum payments). Recertifications ordinarily result in additions to amount payable but do not affect number of cases certified. For this reason, net amount of adjustment bears no relation to net number of cases reported as adjusted.

and other agencies in possession of such data. At present the determination of the existence of the amount of prior service involves considerable correspondence with employers, which at times delays the adjudication of claims several months. The possession of these data by the Board will make it possible to expedite the handling of claims for

employee annuities and other benefits payable under the Railroad Retirement Act, as well as to safeguard the data by which prior-service rights and the amount of prior service are determined.

The work of transcribing these records will be done by the employers, who will be paid at a rate to be established by the Board but not to exceed

Table 3.—Railroad retirement: Number of annuities and pensions in force and monthly amount payable as of June 30, 1940, and number and amount of lump-sum death benefits initially certified to the Secretary of the Treasury in fiscal year 1939-40, by States ¹

State	In force as of June 30, 1940								Lump-sum death benefits certified in 1939-40	
	All annuities and pensions		Employee annuities		Pensions		Survivor and death-benefit annuities			
	Number	Monthly amount payable	Number	Monthly amount payable	Number	Monthly amount payable	Number ¹	Monthly amount payable	Number	Amount ²
Total	144,290	\$9,119,161	106,078	\$6,953,665	35,146	\$2,061,718	3,066	\$103,778	13,370	\$2,111,590
Alabama	1,736	99,623	1,491	89,790	192	8,223	53	1,610	206	28,460
Arizona	376	25,067	273	19,921	96	4,804	7	281	46	6,249
Arkansas	1,280	77,831	1,007	65,323	225	11,005	48	1,502	137	20,479
California	7,358	482,120	4,674	328,534	2,556	148,832	128	4,754	649	102,181
Colorado	1,769	115,223	1,253	86,495	485	27,652	31	1,077	135	18,961
Connecticut	1,013	64,230	672	44,171	314	19,114	27	945	80	14,800
Delaware	662	46,687	401	29,184	257	17,381	4	122	52	8,023
District of Columbia	434	29,787	311	22,301	117	7,222	6	264	52	8,251
Florida	1,707	120,458	1,150	84,203	528	35,234	29	1,021	188	28,988
Georgia	1,841	114,475	1,506	98,074	264	14,114	71	2,287	326	44,830
Idaho	389	25,572	287	18,984	96	6,360	6	228	46	7,532
Illinois	10,701	666,187	8,148	527,575	2,292	129,714	261	8,898	1,203	195,775
Indiana	5,969	372,959	4,528	291,383	1,313	77,437	128	4,138	436	69,340
Iowa	4,170	258,457	3,286	208,876	783	46,261	101	3,320	279	45,868
Kansas	3,221	194,812	2,375	152,697	783	40,007	63	2,108	243	40,641
Kentucky	2,858	161,002	2,292	133,430	497	25,586	69	1,986	295	47,047
Louisiana	1,175	68,387	890	54,163	251	13,150	34	1,073	189	22,333
Maine	1,052	57,910	766	45,899	258	11,035	28	976	72	10,349
Maryland	2,768	178,536	1,871	126,129	862	51,390	35	1,017	204	33,567
Massachusetts	3,318	206,402	2,427	157,761	797	45,268	94	3,373	332	50,555
Michigan	3,789	239,529	2,761	180,516	942	55,837	86	3,176	335	54,279
Minnesota	4,342	263,795	3,131	196,078	1,115	64,433	96	3,285	315	51,081
Mississippi	1,166	64,510	872	51,432	267	12,127	27	951	130	18,789
Missouri	4,827	299,760	3,672	237,886	1,041	57,888	114	3,986	421	68,866
Montana	815	50,673	685	42,742	114	7,416	16	515	87	14,877
Nebraska	1,682	106,424	1,087	71,442	568	34,073	27	909	157	25,948
Nevada	158	9,844	125	8,218	28	1,428	5	197	26	4,068
New Hampshire	717	44,100	586	38,155	118	5,527	13	418	50	6,689
New Jersey	5,146	345,790	3,636	249,013	1,425	93,619	85	3,158	503	87,076
New Mexico	458	25,239	314	19,639	135	5,309	9	291	43	6,450
New York	11,282	719,371	8,209	543,466	2,851	168,407	222	7,497	1,154	193,243
North Carolina	1,245	77,112	1,051	67,747	147	7,940	47	1,425	204	27,475
North Dakota	484	27,909	365	21,681	110	5,981	9	247	42	6,489
Ohio	9,812	633,961	7,173	478,943	2,461	148,986	178	6,032	838	136,988
Oklahoma	1,008	60,651	813	52,256	171	7,702	24	693	123	18,154
Oregon	1,249	78,396	867	58,291	358	19,394	24	711	112	16,274
Pennsylvania	20,535	1,382,868	14,394	993,034	5,833	379,058	308	10,776	1,295	205,384
Rhode Island	421	25,624	271	17,226	130	7,655	20	743	24	4,186
South Carolina	707	41,690	623	37,743	53	2,963	31	985	144	17,720
South Dakota	423	24,034	351	20,594	61	3,190	11	250	35	5,668
Tennessee	2,627	152,959	2,188	134,275	351	15,839	88	2,845	274	40,981
Texas	3,986	257,540	2,963	202,314	940	52,237	83	2,989	551	88,452
Utah	601	38,456	440	29,347	144	8,384	17	725	57	10,197
Vermont	520	31,693	416	26,674	93	4,642	11	377	41	6,395
Virginia	3,269	196,033	2,439	150,892	754	42,564	76	2,577	407	64,625
Washington	2,303	142,910	1,816	116,430	430	24,435	57	2,045	181	33,192
West Virginia	2,254	131,700	1,676	102,121	543	28,594	35	985	208	32,136
Wisconsin	3,528	210,406	2,782	170,837	640	36,137	106	3,432	285	43,620
Wyoming	290	20,082	205	14,696	81	5,270	4	116	41	7,028
Outside continental United States ⁴	849	50,376	559	35,080	276	14,832	14	464	123	11,533

¹ State of residence at time first check was mailed.

² Does not represent number of individuals receiving annuities. In 2 cases death-benefit annuity payments were made to more than 1 individual, and in 130 cases 1 individual received both a survivor and a death-benefit annuity.

³ Represents amount certified minus cancellations.

⁴ Includes 16 employee annuities with a monthly amount payable of \$889 for Alaska; and 25 employee annuities with a monthly amount payable of \$1,374 and 7 lump-sum death benefits amounting to \$722 for Hawaii.

50 cents per man-year of service verified. The work is to be completed by June 30, 1943. The resolution directs the Board to notify each employee for whom a record is established of the amount of service and compensation credited to him. Any record not contested within 2 years after the Board has given reasonable notice will be conclusive unless shown by subsequent evidence to be clearly erroneous. The Board will also give notice to all individuals who may file claims for whom service and compensation are not established.

After notice has been sent to each individual for whom record of service and compensation has been established and to those who had filed claims but for whom such record could not be established, the Board will take steps by general public notice to inform all interested individuals that all records of creditable service rendered prior to January 1, 1937, and creditable compensation necessary to establish the average monthly compensation for such service have been established and that if anyone believes he rendered such service and received such compensation but has not received notice thereof from the Board, he should request the establishment of such record. In such cases if within 2 years an employee does not request the establishment of a record of his service and compensation or does not file the appropriate form, it will be presumed that he had no service and compensation under the act. This presumption will stand except as evidence subsequently obtained shows it to be clearly erroneous.

Crediting Past Military Service

Legislation to prevent loss of annuity benefits under the Railroad Retirement Acts to an individual whose railroad service was interrupted by military service prior to January 1, 1937, is included in the Second Revenue Act of 1940, approved by the President on October 8. The legislation applies only to periods in which the United States was engaged in a war, the individual was required to continue in service after a war, or irrespective of any war the individual concerned was required by an act of Congress or by a call of the President pursuant to such act to serve in the armed forces.

Part II of title VI of the act provides for the inclusion of such military service in establishing an individual's years of service and in computing the amount of the annuity. The crediting of this military service will make annuities payable to some employees who otherwise would not have the 30 years of railroad service required for certain types of annuity under the Railroad Retirement Act, and higher annuities will be made possible for others, some of whom are already receiving annuities.

Legislation providing similar protection for annuity rights of persons called to military service after December 31, 1936, including those called under the Selective Training and Service Act of 1940, is under consideration by Congress in accordance with the President's message of September 14, 1940.

SOCIAL AND ECONOMIC DATA

BUREAU OF RESEARCH AND STATISTICS

SOCIAL INSURANCE PAYMENTS UNDER SELECTED PROGRAMS

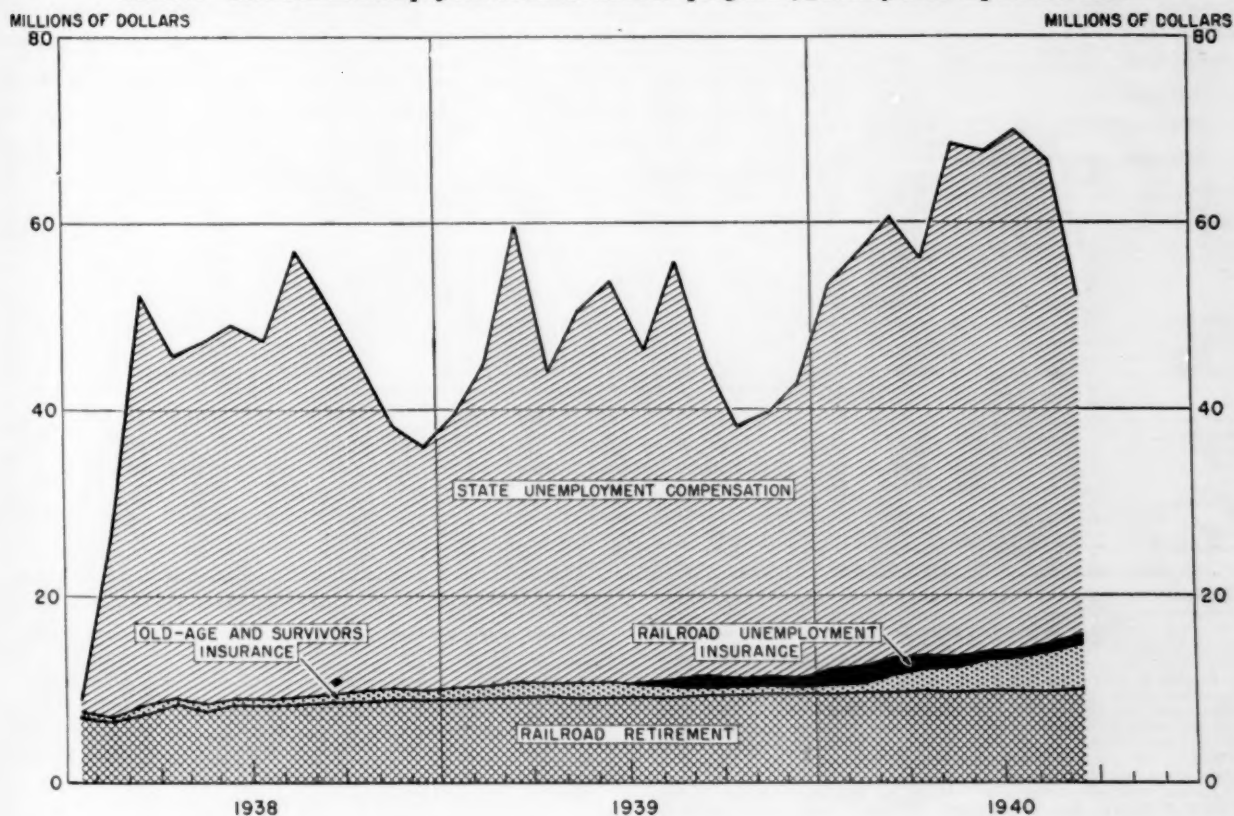
Benefit payments under the four Federal and State social insurance programs for commercial and industrial workers declined 21 percent in September to \$52.4 million, the lowest amount for any month in 1940 (chart I). However, the total for September exceeded amounts paid in each month in 1939 except March, June, and August. The decline from August 1940 was entirely in benefits under State unemployment compensation laws; increases occurred in each type of payment under the Railroad Unemployment Insurance Act, the Railroad Retirement Act, and the old-age and survivors insurance provisions of the Social Security Act (table 1) but were more than offset by the decrease of \$15.1 million or 29 percent in unemployment benefits.

Payments under the two old-age and survivors insurance programs increased almost \$870,000 or

6 percent to \$14.8 million. This increase included a 19-percent increase in payments under title II of the Social Security Act, which began monthly payments in January of this year, and an increase of 1.3 percent under the railroad retirement system, which has been in operation for several years.

Payments under State unemployment compensation laws were lower than in any previous month of 1940, although they were higher than in 8 months of 1939. The decline in unemployment compensation undoubtedly reflects expanding employment in defense and related industries and increased seasonal activity. Other contributing factors were a short working month and the cumulative effect of exhaustion of benefits in States where most claimants began benefit years in the early part of this year. In contrast, the

Chart I.—Social insurance payments under selected programs, January 1938–September 1940



increase in railroad unemployment insurance for the last 2 months results largely from the beginning of new benefit years. Detailed figures published elsewhere in this issue show payments increased because of the certification of benefits in September to claimants who were serving waiting periods in August or who were not eligible for benefits earlier because their first benefit year under the act had not expired. Another factor is the decline in the proportion of final certifications for the first benefit year; such certifications are usually for only part of the half-monthly benefit period.

The number of individuals receiving each type

of benefit (table 2) changed in the same direction as the amounts paid. Except for beneficiaries under State unemployment compensation laws, all types of recipients increased. Because there is great variation in the length of attachment of beneficiaries to the various programs, no totals of beneficiaries are shown in this table.

Although 185,000 claims for monthly benefits under the Social Security Act had been allowed by the end of September, only 165,000 beneficiaries received payments in that month. A small number have had their benefits terminated by death, remarriage, or attainment of age 18. For other beneficiaries, payments were deferred because of

Table 1.—Social insurance payments under selected programs, calendar years 1936–39, and by months, January 1939–September 1940¹

[In thousands]

Year and month	Total	Old-age and survivors insurance payments							Unemployment insurance payments		
		Under the Social Security Act				Under the Railroad Retirement Act ²			Total	Under State unemployment compensation laws ³	Under the Railroad Unemployment Insurance Act ⁴
		Total	Monthly benefits—primary, supplementary and survivors ⁵	Lump-sum death payments under 1939 amendments ⁶	Lump-sum payments under 1935 act ⁷	Employee annuities and pensions	Survivor and death-benefit annuities	Lump-sum death payments			
1936 total.....	\$816	\$685				\$683	\$2		\$131	\$131	
1937 total.....	43,855	41,723			\$1,278	40,001	444		2,132	2,132	
1938 total.....	505,319	108,918			10,478	96,749	1,401	\$290	396,401	396,401	
1939 total.....	560,140	124,553			13,895	107,282	1,450	1,926	435,587	429,820	\$5,767
January.....	39,307	10,104			1,255	8,616	110	123	29,203	29,203	
February.....	45,059	10,314			1,169	8,874	108	163	34,745	34,745	
March.....	59,637	10,764			1,541	8,842	140	241	48,873	48,873	
April.....	44,157	10,699			1,466	8,883	128	222	33,458	33,458	
May.....	50,627	10,697			1,525	8,883	125	164	39,930	39,930	
June.....	53,787	10,626			1,518	8,817	138	153	43,161	43,161	
July.....	46,298	10,425			1,323	8,871	125	106	35,873	35,596	277
August.....	55,667	10,154			953	8,927	112	162	45,513	44,491	1,022
September.....	45,076	10,090			793	9,054	126	117	34,986	33,658	1,330
October.....	37,907	10,240			806	9,134	109	191	27,667	26,690	977
November.....	39,692	10,371			891	9,189	121	170	29,321	28,369	952
December.....	42,926	10,069			655	9,192	108	114	32,857	31,648	1,209
1940											
January.....	53,296	10,410	\$76	\$3	913	9,141	113	164	42,886	41,066	1,820
February.....	56,753	10,605	251	159	584	9,299	114	198	46,148	44,351	1,797
March.....	60,544	11,588	915	659	412	9,310	114	178	48,956	47,142	1,814
April.....	56,057	12,185	1,288	795	238	9,483	123	258	43,872	42,292	1,580
May.....	68,414	12,343	1,621	735	256	9,386	123	222	56,071	54,897	1,174
June.....	67,641	13,146	2,265	886	125	9,520	120	230	54,495	53,637	858
July.....	69,956	13,503	2,712	904	69	9,508	120	190	56,453	55,750	703
August.....	66,625	13,935	3,138	804	53	9,639	118	183	52,690	51,701	989
September.....	52,424	14,803	3,633	1,039	61	9,696	121	253	37,621	36,595	1,026

¹ Payments to individual beneficiaries under programs; figures exclude cost of administration.

² Amounts certified to the Secretary of the Treasury for payment, including retroactive payments.

³ Payable with respect to deaths of fully or currently insured workers after Dec. 31, 1939, in cases where no survivor could be entitled to monthly benefits for month in which worker died.

⁴ Figures for September 1939, and subsequent months are for lump-sum death payments with respect to deaths of covered workers prior to Jan. 1, 1940. Figures through August 1939 include payments at age 65 totaling \$9.9 million; for monthly distribution of these payments, see the *Bulletin*, March 1940, p. 31, table 1.

⁵ Amounts certified during month ended on 20th calendar day to the Secretary of the Treasury for payment. Figures for any period represent

payments certified during period, including retroactive payments, minus cancellations reported during period.

⁶ Amount of checks issued, as reported by State agencies to the Division of Research and Statistics, Bureau of Employment Security. Figures for December 1939–September 1940 include amounts paid as adjustments on payments in Ohio for previous months of 1939, resulting from recalculation of weekly benefit amounts in accordance with a court decision and from allowance of benefits on appeal in a labor-dispute case.

⁷ Amounts certified by regional offices of the Railroad Retirement Board to regional disbursing officers of the U. S. Treasury. Figures for any period represent payments certified during period, including retroactive payments, minus cancellations reported during period.

⁸ Revised.

previous receipt of lump-sum payments on attainment of age 65. For still other beneficiaries, payments were suspended during work in covered employment or nonattendance at school.

More than 9,200 of the 165,000 monthly beneficiaries received two checks during September, one for the current month's benefits and one constituting retroactive payment from an earlier date of entitlement. Largely because of retroactive payments, the amount paid as monthly benefits during September was 5.2 percent greater than the monthly amount payable on all claims allowed through September.

The 165,000 individuals who received monthly benefits under the old-age and survivors insurance provisions of the Social Security Act included retired workers over 65 years of age, their wives over 65 and children under 18, children of deceased

workers, widows over 65, younger widows with children under 18 in their care, and parents over 65 of deceased workers who had no wife or child entitled to benefits. The number of each type of beneficiary certified each month is not available, but their proportion in the total number of claims allowed through September is given in table 4, p. 81. Primary beneficiaries, who constitute 54 percent of the total, were granted 66 percent of the benefits allowed; wives and children, constituting 13 and 22 percent respectively of the monthly beneficiaries, were awarded 9 and 14 percent of the benefits. These different proportions arise partly from the fact that the benefits allowed wives, children, and parents are only one-half of those allowed the primary beneficiary, and those allowed widows are three-fourths of the primary benefits upon which they are based.

Table 2.—Individuals receiving social insurance payments under selected programs, by months, January 1939–September 1940

[In thousands]

Year and month	Old-age and survivors insurance beneficiaries						Unemployment insurance beneficiaries	
	Under the Social Security Act			Under the Railroad Retirement Act			Under State unemployment compensation laws ¹	Under the Railroad Unemployment Insurance Act ²
	Monthly benefits—primary, supplementary, and survivors ³	Lump-sum death payments under 1939 amendments ⁴	Lump-sum payments under 1935 act ⁵	Employee annuities and pensions ⁶	Survivor and death-benefit annuities ⁶	Lump-sum death payments ⁷		
1939								
January			18.7	123.0	2.1	1.7	657.2	
February			17.5	124.6	2.2	1.9	769.8	
March			21.7	126.1	2.3	2.6	833.2	
April			19.4	127.4	2.4	2.2	685.1	
May			19.3	128.6	2.5	1.6	776.0	
June			18.2	129.7	2.6	1.3	802.2	
July			15.7	130.7	2.6	.8	764.9	18.3
August			10.9	131.5	2.6	1.2	797.2	30.5
September			8.6	132.6	2.7	.9	729.9	50.2
October			8.6	133.7	2.7	1.3	501.7	30.5
November			9.4	134.9	2.7	1.2	637.0	28.3
December			6.8	136.1	2.8	.7	658.3	37.3
1940								
January	3.7	(⁸)	8.9	136.6	2.8	1.0	874.8	57.0
February	8.4	1.0	6.2	137.6	2.8	1.2	985.5	52.8
March	32.6	4.3	5.2	138.4	2.8	1.0	1,095.2	57.4
April	52.7	5.3	3.3	139.3	3.0	1.4	960.7	50.9
May	72.4	5.0	3.8	140.2	3.0	1.3	1,201.0	35.0
June	96.7	6.1	2.1	141.2	3.1	1.2	1,268.6	31.4
July	120.8	6.3	1.3	142.1	3.1	1.0	1,220.0	22.3
August	143.4	5.6	1.1	143.0	3.1	1.0	1,121.8	31.1
September	164.9	7.3	1.3	143.9	3.2	1.3	875.4	37.8

¹ Represents number of individuals for whom monthly benefits were certified to the Secretary of the Treasury during month.

² Number of deceased wage earners with respect to whose wage records payments were made.

³ Number of wage earners with respect to whose wage records such payments were made. Figures for September 1939 and subsequent months are for lump-sum death payments with respect to deaths of covered workers prior to Jan. 1, 1940. Figures for January–August 1939 include 59,389 individuals who received payments at age 65. For monthly distribution of these beneficiaries, see the *Bulletin*, March 1940, p. 32, table 2.

⁴ Number of individuals on rolls at end of month specified, based on month in which annuity or pension was certified or terminated upon notice of death

rather than on month in which annuity or pension began to accrue or beneficiary died.

⁵ Widows receiving both survivor and death-benefit annuities are counted twice, but 2 or more individuals sharing 1 death-benefit annuity are counted as 1.

⁶ For 1939, represents number of individuals receiving benefits during middle week of month specified. For 1940, represents average number of weeks of unemployment compensated in calendar weeks ended within month.

⁷ Number of individuals receiving benefits, for days of unemployment in registration periods of 15 consecutive days, during second and third weeks of month.

⁸ Less than 50.

THE CANADIAN UNEMPLOYMENT INSURANCE ACT OF 1940*

On August 7, 1940, Canada enacted a law providing for a national system of unemployment insurance and a national employment service. A similar act had been passed in 1935 but had been declared unconstitutional by the Privy Council of Great Britain on the ground that jurisdiction in this field belonged to the provinces rather than to the Federal Government. Before a national system of unemployment insurance could be enacted, therefore, the British Parliament had to amend the British North America Act, which is the basic law establishing the Dominion of Canada and governing the relations between the provinces and the Dominion Government. By 1940 all the provinces had agreed to support legislation establishing a national system of unemployment insurance, and on July 10 Parliament amended the act to give the Dominion Government exclusive jurisdiction over such a system. The enactment of the Canadian unemployment insurance law followed within a month.

Coverage.—The coverage of the Canadian law is broader than that provided by the unemployment compensation laws of the United States since, as under the British system, firms of all sizes are subject to the law. However, certain employments are excluded from coverage. The most important of these are agriculture, forestry, fishing, hunting and trapping, lumbering and logging, wood-processing plants (unless they operate steadily), air and water transportation, stevedoring, private domestic service, and employment at wages of more than \$2,000 a year. Additional exclusions concern employment in a nonprofit hospital or charitable institution; employment as a nurse, teacher, member of the regular armed or police forces, civil-service employee, independent agent, or casual worker; employment by a spouse, or unpaid employment by a parent or an employer who maintains the worker; and paid athletes. Temporary employees of the Dominion and municipal governments, and of the provincial governments (if the provincial government concurs) are covered under the law, and workers employed at a rate of more than \$2,000 a year may elect to continue coverage by paying both employer and employee contributions, provided they have al-

ready been covered by the system for 5 years.

The Unemployment Insurance Commission, which administers the law, is empowered to exclude part-time workers and workers employed solely within a season of not more than 20 weeks, although the employer is required to pay contributions on such workers. It may also exclude or include groups whose coverage or noncoverage may result in anomalies, and workers whose insurable employment is negligible. Furthermore, if duplications of taxes or benefits might result from the operation of a foreign unemployment compensation law, the workers affected may be excluded.

It is estimated that in 1941 the Canadian system will cover 2.1 million of the 2.8 million wage earners in the country.¹ Including dependents of covered workers, about 45 percent of the population will be protected directly or indirectly by the system.

Contributions.—The Canadian system, like the British, is financed by contributions from employers, employees, and the Government. However, the Dominion Government contributes only one-fifth of the total fund, whereas in Great Britain the Government share is one-third. It is estimated that the income of the fund in 1941 will be about \$58.5 million.² All contributions go into a nationally pooled fund.

The contributions are flat amounts, graded according to the worker's wage. Under the British system, contributions are flat amounts based on age and sex differentials, while in the United States the contribution (made solely by the employer in all but a few States, and in no instance by the State or Federal Governments) is a flat percentage of wages.

A schedule of wage classes is set up in the law. Employers are required to pay both their own and employee contributions, totaling 27 cents a week, if the wage is under 90 cents a day or the worker is under 16 years of age. Employers and employees in the other wage classes each pay a contribution; for the lower wage brackets, however, the employer's share is greater while in the upper wage groups the employee's contribution is proportionately more. If the worker is not employed

* Prepared in the Bureau of Employment Security, Research and Statistics Division.

¹ *The Labour Gazette*, August 1940, p. 792.

² *The Labour Gazette*, July 1940, p. 684.

for a full week, contributions are to be paid on the basis of one-sixth of the weekly rate for each day worked. The combined contributions of employer and employee are equivalent to 3 to 5 percent of the wage in the lower wage brackets; when the Government contribution is added the total is approximately 4 to 6 percent. For higher weekly incomes, the combined employer and employee contributions amount to about 2 to 2.5 percent, which with the Government contribution equals 2 to 3 percent of the pay roll (table 1).

Benefits.—The benefit structure also has features characteristic of both the British and American systems. In Great Britain, benefits are based on age, sex, and number of dependents, while under all but one of the 51 State and Territorial laws in the United States benefits are related solely to past earnings, usually amounting to about 50 percent of full-time weekly wages. Under the Canadian law benefits are computed on the basis of past earnings, but additional benefits are allowed if the worker has dependents.

The same wage classes determine both contributions and benefits (table 1). A worker without dependents receives a weekly benefit of 34 times his average weekly contribution during the 2 years preceding his claim for benefits, while a worker with one or more dependents receives 40 times his average weekly contribution. The benefit rate ranges from 38 to 63 percent of average weekly earnings for those without dependents, and from 45 to 74 percent for those with dependents. As in the British system, benefits are paid either for days of unemployment or for weeks; the daily rate is computed at one-sixth of the weekly rate.

The waiting period consists of the first 9 days of unemployment within the benefit year. In addition, the first day of unemployment in a calendar week is not compensated unless preceded or followed by a full week of unemployment. Odd-job earnings of \$1 a day or less are not deemed to remove a worker from the unemployed class.

Duration is based upon a worker's previous contribution and benefit record. The formula is somewhat similar to that used by the British in providing extended benefits.³ The worker is entitled to one benefit payment for every five contributions made within a 5-year period preceding

³ The British unemployment insurance system before the present war allowed 156 days of benefits to everyone who was eligible and extended benefits to workers who had been insured for 5 years. Since the war, duration has been increased to 180 days and extended benefits eliminated.

Table 1.—Contributions and benefits under the Canadian Unemployment Insurance Act

Weekly wage class of employee	Weekly contribution rate				Weekly benefit rate			
	Government ¹	Employer	Employee	Percent of wages paid by employer and employee combined ²	No dependents	1 or more dependents	No dependents	1 or more dependents ³
Under 90¢ a day or under 16 years of age.....	\$0.054	\$0.18	\$0.09	(4)	(5)	(5)	(7)	(7)
\$5.40-7.49.....	.066	.21	.12	5.1	\$4.08	\$4.80	63.3	74.4
7.50-9.59.....	.080	.25	.15	4.7	5.10	6.00	59.7	70.2
9.60-11.99.....	.086	.25	.18	4.0	6.12	7.20	56.7	66.7
12.00-14.99.....	.092	.25	.21	3.4	7.14	8.40	52.9	62.2
15.00-19.99.....	.102	.27	.24	2.9	8.16	9.60	46.6	54.9
20.00-25.99.....	.114	.27	.30	2.5	10.20	12.00	44.3	52.2
26.00-38.49 a week or \$2,000.00 a year.....	.126	.27	.36	2.0	12.24	14.40	38.0	44.7

¹ Government contribution is $\frac{1}{4}$ of total contributed by employers and employees. Rate for each wage class is computed on this basis.

² Computed on basis of midpoint of wage class.

³ Employer also pays employee contribution.

⁴ Not computed, since persons under 16 fall in this category regardless of amount earned.

⁵ Persons in this category ineligible for benefits, but contributions paid on their behalf are taken into account if $\frac{1}{4}$ or more of their contributions in year preceding a benefit claim came under another wage category.

the benefit year, less one benefit payment for every three payments received within the 3 years preceding the benefit year. On this basis it would be possible for a worker who had previously had steady employment for 5 years to draw benefits for a full year. The example given the Committee of Parliament which heard the bill may clarify the meaning of the formula:

For example, suppose a man worked thirty weeks during the first year that he was covered by unemployment insurance. He would be entitled at the end of that period, if unemployed and if he fulfilled the other statutory conditions—that is, availability for work and so on—to one-fifth of the period in insurance benefit; that is, six weeks. If he worked thirty weeks in the following year of his coverage and again became unemployed, he would have accumulated sixty weekly contributions, one-fifth of which would be twelve weeks. But from this would be taken one-third of the number of benefits which he enjoyed the previous year, that is, two weeks. Therefore the period of benefit to which he would be entitled the second year would be ten weeks. If he had the same employment experience of thirty weeks during the third year, the benefit paid would run to seventy-six days, and in the fourth year eighty-seven days. If over a period of years he was normally employed for thirty weeks he would be entitled to fifteen weeks' benefit; that is, half the time of his employment.

At first glance it looks as if he is entitled to only one-fifth of the time, but actually he relies on employment experience which entitles him to one-half of his unemployment history in benefit duration; if he worked thirty weeks on the average over a period of years he would still receive fifteen weeks' benefit, as if he had worked thirty weeks exactly each year. Similarly if a man worked twenty-four weeks either exactly or on the average, he would be entitled to twelve weeks' benefit, if he had built up five years employment history.⁴

The eligibility requirement is similar to that of the British law: contributions must have been paid on a worker's behalf for 180 days or more during the 2 years immediately preceding the benefit year, and for 60 days after the last day for which he received benefits during the preceding benefit year.

Disqualifications involve postponement of benefits for not over 6 weeks and are applicable in cases of misconduct, voluntary leaving, and refusal of suitable work. Claimants under 16 years of age, inmates of prisons or public institutions, workers who are receiving wages in lieu of notice, workers unemployed because of a stoppage of work caused by a labor dispute, and employees more than half of whose contributions were paid by the employer (i. e., who earned less than 90 cents a day) are ineligible for benefits. Disqualification for benefits is also imposed on workers who fail to attend a training school when directed to do so.

Employment Service.—The Employment Service of Canada has up to this time been operated under an arrangement very much like that provided by the Wagner-Peyser Act in this country. Initiated in 1918, the program provided Federal financial assistance to employment offices which were maintained by the provincial governments. Federal participation in administration was mainly confined to coordination of the provincial services, under the Department of Labour. A national employment service was one of the goals envisaged in amending the British North America Act, and the Unemployment Insurance Commission is to maintain employment offices throughout the country as an integral part of its functions. The act does not specify whether the 75 employment offices which until now were operated by the provinces but subsidized by the Federal Government are to be taken over by the Dominion or whether an entirely new service is to be established.

⁴ *The Labour Gazette*, August 1940, pp. 794-795.

Administration.—A new agency, the Unemployment Insurance Commission, is established to administer both the unemployment insurance and employment service provisions of the act. It consists of three members—a chief commissioner, one representing employers, and one employee. Dr. Joseph Sirois, a university professor who was chairman of the Royal Commission on Dominion-Provincial Relations, has been appointed Chief Commissioner; Mr. Allan Monroe Mitchell, a Montreal manufacturer, is the employer representative; and Mr. Robert J. Tallon, Secretary-Treasurer of the Trades and Labour Congress of Canada, the employee representative. The Commission will work through regional offices, aided by the Unemployment Insurance Advisory Committee and the National Employment Committee which, with similar regional committees, will act as an advisory board on employment service matters.

Appeals are handled in much the same manner as under the British system.⁵ An insurance officer is to act in the first instance on all types of claims except those involving misconduct, voluntary leaving, and certain other disqualifications. In these cases the insurance officer may not disallow the claim; he may either allow it or refer it to a regional court of referees. Appeals from these courts are taken to an umpire appointed by the Governor in Council from among the judges of the Exchequer Court of Canada and the superior courts of the provinces. Questions of coverage and contributions are to be decided by the Commission, subject to appeal to the umpire. The law empowers the Commission to provide for the payment of contributions by means of a stamp system. Costs of administration are estimated at about \$5.25 million a year, which will be paid entirely by the Dominion Government.⁶

Canadian and United States systems.—American experience was analyzed in connection with the Canadian decision to establish a national system of unemployment insurance rather than a system administered by the provinces; it was also cited in favor of a graduated system of benefits and contributions as against a flat scale such as exists

⁵ For a discussion of adjudication procedures and techniques in Great Britain, see Hardiman, Ralph S., "Deciding Claims to Unemployment Benefits: An Outline of the British System," *Social Security Bulletin*, Vol. 1, No. 7 (July 1938), pp. 16-22. Certain changes have, however, been made in the British appeals mechanism since the war.

⁶ *The Labour Gazette*, July 1940, p. 684.

under the British system. It may be expected that the Canadian administration will have implications which will be useful in evaluating the efficacy of unemployment compensation in the United States. Moreover, the Canadian unemployment insurance law impinges directly on our State systems because of the mobility of workers across the boundary line between this country

and Canada. The Governor in Council is authorized by law to enter into reciprocal arrangements with foreign governments on questions relating to unemployment insurance. Such arrangements can be of value to the workers both north and south of the boundary. The development of a Canadian unemployment compensation system will be watched with interest in the United States.

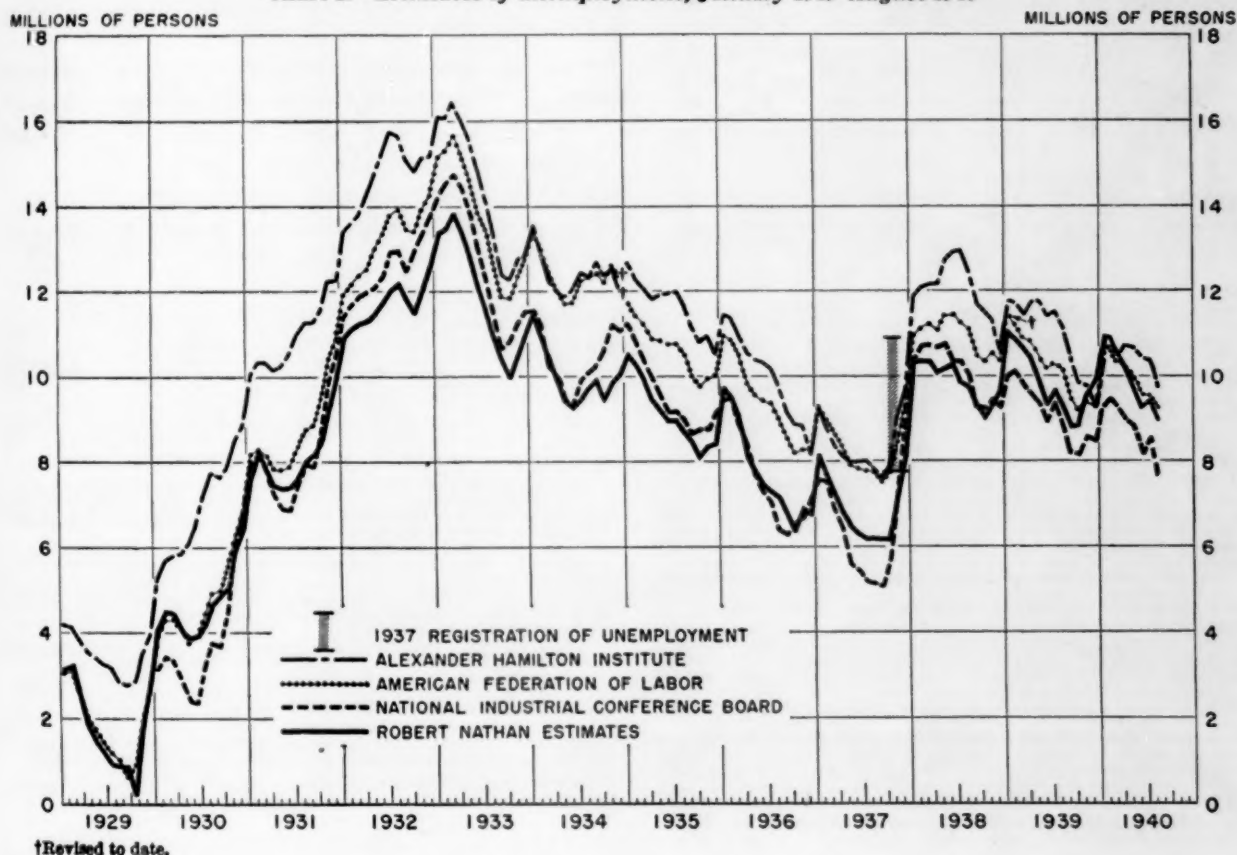
FINANCIAL AND ECONOMIC DATA

The defense program has resulted in a period of expansion since late spring, evident in sizable and continued increases in the economic indexes of significance to social insurance. The unadjusted Federal Reserve index of industrial production reached a new high of 129 in September, accompanied by extended employment in covered industry. The Bureau of Labor Statistics unadjusted index of factory employment rose to 107.2, a 3.6-point gain over August, and the index of factory pay rolls showed a 5.6-point rise to 109.4. The four unemployment estimates in chart I

also indicate expanding business conditions by a marked decline in August. Although social security tax collections do not reflect such changes until the following quarter, the receipts for July-September (table 1) show a business expansion during the preceding quarter.

It is expected that the national defense program will result in a continued rise in the number of covered workers because of increased industrial employment. Conscription also will increase the number of workers who come under the old-age and survivors insurance program, because other

Chart I.—Estimates of unemployment, January 1929–August 1940



workers must replace conscripted men during their absence. Tax collections may be expected to increase still further because of the expanding pay rolls in covered industry. The total number of covered workers will increase, but whether or not

all such workers will be eligible for benefits is difficult to predict. The question of how the number and type of claims may be affected depends on a number of variables, such as whether conscriptees will have their rights frozen and whether selection

Table 1.—Social security and railroad retirement receipts, expenditures, and issues and total Federal receipts, expenditures, and debt for specified periods, 1936–40

[In millions]

Period	General and special accounts											Trust ac- counts, etc., ⁷ excess receipts (+) or expendi- tures (-)	Change in gen- eral fund bal- ance	Public debt					
	Receipts of Federal Gov- ernment				Expenditures ² of Federal Government									Total	Old- age and sur- vivors insur- ance trust fund ³	Un- em- ploy- ment trust fund ⁴	Rail- road retire- ment ac- count	All other	
	Total	Social secu- rity taxes ¹	Rail- road retire- ment and unem- ploy- ment taxes ⁵	All other	Total	Under the So- cial Security Act		Under the Railroad Retirement Board		All other	Excess receipts (+) or expendi- tures (-)								
						Ad- minis- trative ex- pense and grants to States ⁶	Net ap- propria- tions and transfers to old- age and survivors insur- ance trust fund ⁸	Ad- minis- trative ex- pense ⁹	Trans- fers to rail- road retire- ment ac- count										
Fiscal year:																			
1936-37.....	\$5,294	\$252	(⁹)	\$5,042	\$8,442	\$183	\$265	\$1		\$7,993	-\$3,149	+\$374	-\$128	\$36,425	\$267	\$312		\$35,846	
1937-38.....	6,242	604		5,488	7,626	291	387	3	\$146	6,799	-1,384	+306	-338	37,165	662	872	\$66	35,565	
1938-39.....	5,658	631	109	4,928	9,210	342	503	3	107	8,255	-3,542	+890	+622	40,440	1,177	1,267	67	37,929	
1939-40.....	5,925	712	126	5,087	9,537	379	539	8	121	8,400	-3,612	+137	-947	42,968	1,738	1,710	79	39,441	
3 months ended:																			
September 1938.....	1,509	140	26	1,343	2,196	82	109	(⁹)	43	1,962	-687	+216	+763	38,393	766	950	71	36,606	
September 1939.....	1,447	153	29	1,265	2,413	98	134	2	47	2,132	-966	-112	-661	40,858	1,306	1,363	77	38,112	
September 1940.....	11,645	174	34	1,438	12,439	115	156	2	56	2,110	-794	+213	+524	44,073	1,876	1,790	85	40,322	
1939																			
September.....	719	3	24	692	784	20	43	1	7	713	-65	+46	-53	40,858	1,306	1,363	77	38,112	
October.....	322	34	1	287	764	45	43	1	10	665	-442	-1	-264	41,036	1,349	1,370	77	38,240	
November.....	407	125	4	278	691	24	43	1	10	613	-284	+267	+252	41,305	1,392	1,512	77	38,324	
December.....	569	5	25	539	880	20	48	1	10	801	-311	-16	+311	41,942	1,435	1,509	77	38,921	
1940																			
January.....	315	45	(⁹)	270	712	41		1	10	660	-398	+37	-194	42,110	1,435	1,537	77	39,061	
February.....	444	172	6	266	668	38		(⁹)	10	620	-224	+36	+67	42,365	1,435	1,640	77	39,213	
March.....	934	3	27	904	956	27	135	1		793	-22	+11	+164	42,540	1,570	1,622	77	39,271	
April.....	304	39	(⁹)	265	783	47		(⁹)	20	716	-479	+58	-303	42,658	1,565	1,640	77	39,376	
May.....	400	131	6	263	647	28		1	4	614	-247	-83	-181	42,808	1,565	1,721	77	39,445	
June.....	784	4	28	752	1,022	11	136	1		874	-238	-60	-139	42,968	1,738	1,710	79	39,441	
July.....	11,367	39	1	327	11,854	64	136	(⁹)	20	734	-487	+51	+367	43,771	1,733	1,723	79	40,236	
August.....	11,566	132	7	427	11,825	34	119	1	26	645	-259	+320	+196	43,905	1,728	1,808	85	40,284	
September.....	11,711	3	26	683	11,760	17	1	1	10	731	-49	-158	-39	44,073	1,876	1,790	85	40,322	

¹ Titles VIII and IX (except sec. 904) of the Social Security Act were repealed and reenacted as ch. 9, subch. A and C, respectively, of the Internal Revenue Code approved Feb. 10, 1939. Amendments to the Social Security Act, approved Aug. 10, 1939, permit citation of subch. A and C as "Federal Insurance Contributions Act" and "Federal Unemployment Tax Act," respectively.

² Represents total collections under the Carriers Taxing Act and 10 percent of amount collected by the Railroad Retirement Board under sec. 8 (a) of the Railroad Unemployment Insurance Act, which is deposited with the Treasury and appropriated to railroad unemployment insurance administration fund for administrative expenses of the Railroad Retirement Board in administering the act. Remaining 90 percent of collections under the Railroad Unemployment Insurance Act are deposited in railroad unemployment insurance account in unemployment trust fund.

³ Excludes public-debt retirement. Based on checks cashed and returned to the U. S. Treasury.

⁴ Excludes funds for vocational rehabilitation program of the Office of Education and for disease and sanitation investigations in the U. S. Public Health Service. See table 2, footnote 1. Also excludes grants to States for employment service administration under the Wagner-Peyser Act; such grants are included in "all other." Includes amounts for administrative expenses reimbursed to the general fund of the Treasury under sec. 201 (f) of the amended Social Security Act.

⁵ Prior to January 1940, data represent operations of old-age reserve account.

⁶ Includes expenditures for administration of railroad unemployment insurance, amounting to \$500,000 in fiscal year 1938–39, \$5.0 million in 1939–40, and \$800,000 in 3 months ended September 1940.

⁷ Includes all trust accounts, increment resulting from reduction in weight of gold dollar, expenditures chargeable against increment on gold (other than retirement of national bank notes), and receipts from seigniorage.

⁸ Beginning July 1939, contains separate book account for railroad unemployment insurance account and for each State agency.

⁹ Less than \$500,000.

¹⁰ Excludes reimbursement to the Treasury for administrative expenses amounting to \$6.2 million in March and \$6.1 million in June.

¹¹ Beginning July 1940, appropriations to old-age and survivors insurance trust fund minus reimbursement to the Treasury for administrative expenses are deducted from total Federal receipts in Daily Statement of the U. S. Treasury to show net receipts and are not shown in disbursements of the general and special accounts. These net appropriations are included here in both receipts and expenditures for comparison with previous months.

Source: Compiled from data in the Daily Statement of the U. S. Treasury.

for service is made primarily from those with few or no dependents. Since claims can be made only by survivors of insured workers or by an insured worker of 65 or over, it is not possible to state whether there will be a greater drain on the fund than would have occurred otherwise.

It should be noted in addition that the effort to decentralize defense production may result in changes in regional employment which will affect the collections and disbursements under the State unemployment compensation laws.

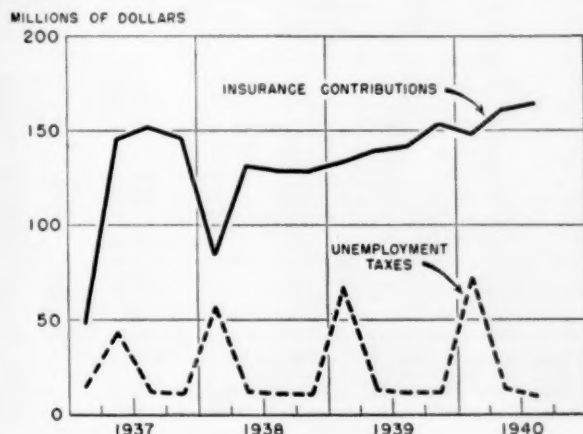
Receipts and Expenditures

Total receipts of the Federal Government amounted to \$8 million less this September than in September 1939. Receipts for the first quarter of the current fiscal year, totaling \$1,645 million, exceeded those for the preceding quarter by \$157 million, and for the corresponding quarter a year ago by \$198 million.

Federal insurance contributions reached a new peak in the first quarter of 1940-41. The total of these contributions and Federal unemployment taxes exceeded the corresponding totals for the same quarter in previous years. These taxes represent 10.6 percent of total Federal receipts for the first quarter and for the corresponding quarter of 1939, as compared with 9.3 percent in the same quarter of 1938.

Total Federal expenditures have declined monthly since June, although the total for the quarter exceeded the first quarter of 1939-40 by \$26 million. Expenditures for administration and

Chart II.—Federal insurance contributions and Federal unemployment taxes, by quarters, 1937-September 1940



Source: Daily Statement of the U. S. Treasury.

Bulletin, November 1940

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for grants to States under the Social Security Act reached a record high for the quarter and represented 4.7 percent of total Federal expenditures, a greater proportion than in any previous quarter.

Total expenditures under the act amounted to \$115.2 million during the first quarter of 1940-41, 17.6 percent more than for the corresponding

Table 2.—Federal appropriations and expenditures under the Social Security Act for the fiscal years 1939-40 and 1940-41 (expenditures through September)¹

[In thousands]

Item	Fiscal year 1939-40		Fiscal year 1940-41	
	Appropriations ²	Expenditures through September ³	Appropriations ²	Expenditures through September ³
Total, administrative expenses and grants to States.....	\$383,844	\$97,981	\$440,894	\$115,219
Administrative expenses.....	25,188	5,453	27,694	8,038
Federal Security Agency, Social Security Board ⁴	24,750	5,360	27,220	6,551
Department of Labor, Children's Bureau.....	338	75	364	93
Department of Commerce, Bureau of the Census.....	100	17	110	36
Department of the Treasury ⁵	(⁶)	(⁶)	(⁶)	1,357
Grants to States.....	358,656	92,529	413,200	107,181
Federal Security Agency.....	349,000	90,602	402,000	104,436
Social Security Board.....	339,500	89,027	391,000	101,796
Old-age assistance.....	225,000	59,490	245,000	67,857
Aid to dependent children.....	45,000	9,542	75,000	15,974
Aid to the blind.....	8,000	1,483	10,000	1,952
Unemployment compensation administration.....	61,500	18,511	61,000	16,013
Public Health Service: Public-health work.....	9,500	1,576	11,000	2,640
Department of Labor, Children's Bureau.....	9,656	1,926	11,200	2,745
Maternal and child-health services.....	4,800	946	5,820	1,414
Services for crippled children.....	3,350	669	3,870	951
Child-welfare services.....	1,505	311	1,510	380

¹ Excludes some funds appropriated and expended under the Social Security Act because they are not separated from other Federal funds for similar purposes. Such is the case with funds for vocational rehabilitation for which \$111,500 was appropriated in 1939-40 and \$113,000 in 1940-41 for administration in the Office of Education, and \$1,938,000 in 1939-40 and \$2 million in 1940-41 for grants to States. For disease and sanitation investigations in the U. S. Public Health Service, appropriations were \$1,640,000 in 1939-40 and \$1,625,000 in 1940-41 in addition to grants to States shown in this table. Under the provisions of the amended Social Security Act, the old-age and survivors insurance trust fund, beginning with 1940-41, no longer requires an annual congressional appropriation. Transfers to the fund are therefore no longer included in this table.

² Excludes unexpended balance of appropriations for previous fiscal year. Appropriations for 1939-40 include additional appropriations of \$17.3 million, approved Aug. 9, 1939.

³ Based on checks cashed and returned to the U. S. Treasury. Includes expenditures from reappropriated balance of appropriations for previous fiscal year.

⁴ Includes amounts for administrative expenses reimbursed to general fund of the Treasury under sec. 201 (f) of the amended Social Security Act.

⁵ Represents amounts for administrative expenses reimbursed to general fund of the Treasury under sec. 201 (f) of the amended Social Security Act.

⁶ Not available.

⁷ Includes grants certified by the Social Security Board to States for employment service administration to meet requirements of unemployment compensation program. Excludes grants to States for employment service administration under the Wagner-Peyser Act, for which \$3.5 million was appropriated in 1939-40 and \$3 million in 1940-41.

Source: Various Federal appropriation acts (appropriations); Daily Statement of the U. S. Treasury (expenditures).

period of 1939-40. The increase is reflected in each of the programs shown in table 2, with the exception of grants for unemployment compensation administration.

It is of interest to note how closely the expenditures through September, for each program, approximate one-fourth of the annual appropriation for the program. The ratio of first-quarter expenditures to annual appropriations can be computed approximately by comparing checks issued to States or checks cashed by States for each of the grants programs under the act (tables 7 and 2), and the annual appropriations for these programs (table 2). Neither of these computations is exact. The checks issued may include amounts that apply to succeeding quarters; checks cashed, on the other hand, may include checks issued for earlier quarters.

Old-Age and Survivors Insurance Trust Fund

In September the assets of the old-age and survivors insurance trust fund declined \$3.3 million. This decrease indicates the growing impor-

tance of benefit payments in the system, as well as the fluctuations which may be expected to continue, resulting mainly from the monthly appropriation of current tax receipts. The quarterly pattern of appropriations will largely determine the changes in the current balance in the fund, as it does in the operations of the unemployment trust fund. Because of the monthly variation in taxes, it is probable that benefits will usually exceed receipts in the third month of a quarter, when receipts are at their quarterly low. On the other hand, in the second month of the quarter receipts are high and greatly in excess of the current monthly benefits.

In September \$11.5 million of 3-percent old-age reserve account notes were redeemed, and this entire sum was made available to the account of the disbursing officer. Interest on the redeemed notes, amounting to \$77,000, was credited to the fund account. This account was at the quarterly low, as a result of the usual end-of-quarter investments made from it. New investments in 2½-percent old-age and survivors insurance trust fund

Table 3.—Status of the old-age and survivors insurance trust fund for specified periods, 1936-40¹

(In thousands)

Period	Receipts			Expenditures		Assets				
	Contributions appropriated to trust fund	Transfers from general fund to trust fund	Interest received by trust fund	Benefit payments †	Reimbursement for administrative expenses	Special Treasury notes acquired ‡		Cash with disbursing officer at end of period	Credit of fund account at end of period §	Total at end of period
						3-percent	2½-percent			
Cumulative through September 1940..	\$162,238	\$1,706,000	\$87,218	\$45,687	\$18,951	\$1,391,700	\$483,900	\$10,370	\$3,848	\$1,889,817
Fiscal year:										
1936-37		265,000	2,262	27		267,100		73	62	267,235
1937-38		387,000	15,412	5,404		395,200		1,931	113,012	777,243
1938-39		503,000	26,951	13,892		514,900		3,036	66	1,180,302
1939-40		551,000	42,489	15,805	12,288	236,000	324,900	6,098	500	1,744,698
3 months ended:										
September 1938		109,000		2,459		104,000		4,470	364,013	1,134,784
September 1939		134,000		3,405		129,000		4,631	416,067	1,726,897
September 1940	162,238		104	10,560	5,663	-21,500	159,000	10,370	3,848	1,889,817
1939										
September		43,000		694		43,000		4,631	416,067	1,726,897
October		43,000		862		43,000		3,768	373,067	1,726,036
November		43,000		837		43,000		2,931	330,068	1,725,199
December		48,000		802		43,000		7,129	282,068	1,724,397
1940										
January				711				6,417	282,069	1,723,686
February				967				5,450	282,069	1,722,720
March		141,000	132	1,283	6,183	-6,000	141,000	3,045	142,142	1,715,387
April			116	1,998		-5,000		6,047	142,259	1,713,505
May				2,311				3,735	142,259	1,711,194
June		142,000	42,240	2,630	6,106	-11,000	183,900	6,098	500	1,744,698
July	38,064		10	3,117	2,221	-5,000		7,979	36,354	1,777,434
August	121,413		17	3,565	2,221	-5,000		9,413	155,565	1,893,078
September	2,761		77	3,878	2,221	-11,500	159,000	10,370	3,848	1,889,817

¹ Prior to January 1940, data represent operations of old-age reserve account.

² Beginning July 1940, trust fund appropriations equal taxes collected under the Federal Insurance Contributions Act.

³ For fiscal year 1936-37, \$265 million was appropriated; for 1937-38, \$500 million; for 1938-39, \$500 million plus additional \$30 million made available by 1940 Treasury Department Appropriation Act; and for 1939-40, \$550 million.

⁴ Based on checks cashed and returned to the U. S. Treasury.

⁵ Minus figures represent notes redeemed.

⁶ Prior to July 1940, includes balance of appropriation available for transfer.

Source: Compiled from data in the Daily Statement of the U. S. Treasury.

notes amounted to \$159 million, as compared with contributions of \$162 million collected during the quarter.

Reimbursements to the Treasury for administrative expenditures for the entire quarter, amounting to \$6.7 million, were paid out of the disbursing officer's account during September, although, in accordance with Treasury procedure (see the Bulletin, September 1940, p. 91) they have been noted in table 3 as monthly transactions of \$2.2 million in order to balance current expenditures.

Benefits under the old-age and survivors insurance program totaled \$3.9 million during September, an increase of 8.8 percent over the previous month and more than 5 times the total benefit payments in September 1939. The steady increase in benefits since January 1940 primarily

reflects the attainment of eligibility under the 1939 amendments by workers who fulfill the requirements for either currently or permanently insured status.

Beginning with this issue of the Bulletin, the columns "Deposits with the disbursing officer" and "Collections of improper payments" are omitted from table 3. This procedure simplifies the table without eliminating any essential information.

Railroad Retirement Account

Ten million dollars was transferred from appropriations to the trust fund account during September 1940 (table 4). The same amount was transferred from the trust fund account to the account of the disbursing officer for benefit payments. Benefit payments issued during the month

Table 4.—Status of the railroad retirement account for specified periods, 1936-40

[In thousands]

Period	Appropriation account		Trust fund account						Account of disbursing officer			Total assets at end of period
	Amount at beginning of period	Balance at end of period after transfers to trust fund account	Transfers from appropriation account	Cancellations and repayments	Interest received	3-percent Treasury notes		Cash balance at end of period after deposits with disbursing officer	Deposits from trust fund	Benefit payments	Cash balance at end of period	
						Net balance of purchases over sales	Balance at end of period					
Cumulative through September 1940.....	\$512,892	\$77,350	\$435,542	\$143	\$5,895	\$85,400	\$85,400	\$100	\$356,084	\$329,079	\$21,611	\$184,461
Fiscal year:												
1936-37.....	46,620	36,622	\$ 9,998	2					10,000	4,070	5,930	42,552
1937-38.....	141,894	94	141,800	25	1,411	66,200	66,200	\$140	76,900	76,421	\$ 1,015	67,449
1938-39.....	118,344	11,250	107,094	94	2,302	1,000	67,200	1,956	106,574	105,665	1,924	82,329
1939-40.....	131,400	10,750	120,650	20	2,283	12,200	79,400	98	112,610	113,241	1,292	91,540
3 months ended:												
September 1938.....	118,344	75,344	43,000	49		5,000	71,200	190	38,000	25,085	13,930	160,663
September 1939.....	131,400	84,250	47,150	6		10,000	77,200	2	39,110	27,270	13,764	175,216
September 1940.....	133,350	77,350	56,000	1		6,000	85,400	100	50,000	29,681	21,611	184,461
1939												
September.....	91,400	84,250	7,150	3		0	77,200	2	9,110	9,192	13,764	175,216
October.....	84,250	74,250	10,000	2		0	77,200	4	10,000	9,395	14,369	165,822
November.....	74,250	64,250	10,000	1		0	77,200	4	10,000	9,363	15,006	156,460
December.....	64,250	54,250	10,000	1		0	77,200	5	10,000	9,345	15,661	147,116
1940												
January.....	54,250	44,250	10,000	2		0	77,200	7	10,000	9,408	16,253	137,710
February.....	44,250	34,250	10,000	1		0	77,200	8	10,000	9,643	16,610	128,068
March.....	34,250	34,250	0	2		0	77,200	10	0	9,548	7,062	118,522
April.....	34,250	14,250	20,000	3		0	77,200	13	20,000	9,798	17,264	108,727
May.....	14,250	10,750	3,500	1		0	77,200	14	3,500	9,705	11,059	99,023
June.....	10,750	10,750	0	2	2,283	2,200	79,400	98	0	9,767	1,292	91,540
July.....	133,350	113,350	20,000	0		0	79,400	98	20,000	9,640	11,652	204,500
August.....	113,350	87,350	26,000	1		6,000	85,400	100	20,000	10,313	21,358	194,188
September.....	87,350	77,350	10,000	0		0	85,400	100	10,000	9,727	21,611	184,461

¹ Represents total appropriation to date, including transfer to appropriation of balance of \$5,392,000 from 1935 act deposits with disbursing officer, and net amount at beginning of period. Amounts appropriated annually have been as follows: 1936-37, \$46,620,000; 1937-38, \$99,890,000; 1938-39, \$118,250,000; 1939-40, \$120,150,000; 1940-41, \$122,600,000.

² Includes payments of \$10 million made directly to disbursing officer in 1936-37 and not treated as transfer to trust fund, which was not set up until July 1937. Excludes, however, cancellations and repayments of \$2,000 in 1936-37 which were treated as returns to appropriation rather than as additions to trust fund.

³ Includes transfer of \$4,000 from 1935 act appropriation.

⁴ On basis of checks issued by disbursing officer less checks canceled by disbursing officer, total benefit payments through September 1940 are \$9.1

million less than total on basis of benefit payments certified to the Secretary of the Treasury for payment as shown on p. 82, table 1. This difference results almost entirely from payments for annuities and pensions in force at end of month which are certified to the Secretary of the Treasury during month and for which checks are not drawn by disbursing officer until first of following month.

⁵ After transfer to appropriation of balance of \$5,392,000 from 1935 act deposits with disbursing officer and transfer to 1935 act appropriation of \$2,000 representing cancellations of checks issued against 1935 act deposits.

Source: Railroad Retirement Board, Bureau of General Control, Division of Finance.

amounted to \$9.7 million. Total assets of the account at the end of September were \$184.5 million. This amount includes the balance in the appropriations account, the Treasury notes in the trust fund account, and the cash balances in the trust fund and with the disbursing officer.

In September tax collections under the Carriers Taxing Act amounted to \$24.6 million. In the 3 months July-September they amounted to \$32.2 million, and since the beginning of the retirement system, to \$412.9 million.

Unemployment Trust Fund

During September, funds amounting to \$43.5 million were withdrawn from 24 State accounts for transfer to the railroad unemployment insurance account (table 5). The total transfers required from the State accounts have now been made from 27 accounts and amount to \$45.8 million, as compared with the total of \$2.2 million transferred for this purpose through the end of August.

For an explanation of the transfers, which were made in accordance with section 13 (d) of the Railroad Unemployment Insurance Act, see pages 48-51.

Deposits by the Railroad Retirement Board in the railroad unemployment insurance account amounted to \$13.6 million during September, bringing deposits for the quarter to \$14.6 million, a slight increase over last quarter. Such deposits consist of 90 percent of the railroad unemployment insurance contributions and totaled \$58.9 million on September 30. The balance of the contributions is deposited to the credit of the railroad unemployment insurance administration fund. During the month \$1.0 million was withdrawn for railroad unemployment benefit payments, and on September 30 the balance in the railroad unemployment insurance account was \$87.7 million.

Deposits by States in their accounts amounted to \$9.3 million in September; deposits for the

Table 5.—Status of the unemployment trust fund for specified periods, 1936-40¹

(In thousands)

Period	Total assets at end of period	Special Treasury certificates acquired ²	Unexpended balance at end of period	Undistributed interest at end of period ³	State accounts				Railroad unemployment insurance account				
					Deposits	Interest credited	Withdrawals ⁴	Balance at end of period	Transfers from State accounts	Deposits	Interest credited	Benefit payments	Balance at end of period
Cumulative through September 1940.....	\$1,802,082	\$1,790,000	\$12,082	-----	\$2,939,027	\$82,494	\$1,307,098	\$1,714,424	⁵ \$45,763	\$58,880	\$205	\$17,189	\$87,659
Fiscal year:													
1936-37.....	312,389	293,386	94	-----	291,703	2,737	1,000	312,389	-----	-----	-----	-----	-----
1937-38.....	884,247	559,705	12,247	-----	747,660	15,172	190,975	884,247	-----	-----	-----	-----	-----
1938-39.....	1,280,539	395,000	13,539	-----	811,251	26,837	441,795	1,280,539	-----	-----	-----	-----	-----
1939-40.....	1,724,862	443,000	14,862	-----	859,864	37,524	484,764	1,693,164	1,801	44,249	202	14,552	31,699
3 months ended:													
September 1938.....	957,739	78,000	7,739	-----	202,192	30	128,730	957,739	-----	-----	-----	-----	-----
September 1939.....	1,383,531	96,000	20,531	-----	209,568	118	119,833	1,370,393	⁶ 344	-----	(?)	2,205	13,139
September 1940.....	1,802,082	80,000	12,082	-----	209,692	133	188,564	1,714,424	⁶ 43,962	14,631	3	2,636	87,659
1939													
September.....	1,383,531	-19,000	20,531	-----	12,748	118	38,497	1,370,393	0	-----	(?)	1,271	13,139
October.....	1,413,866	7,000	43,866	\$35	54,027	-----	22,859	1,401,561	⁶ 255	-----	-----	1,124	12,270
November.....	1,528,227	142,000	16,227	35	143,224	-----	28,607	1,516,178	0	622	-----	877	12,015
December.....	1,524,784	-3,000	15,784	-----	14,537	149	30,899	1,499,965	0	13,851	(?)	1,046	24,820
1940													
January.....	1,545,997	28,000	8,997	5	62,092	17,072	41,492	1,537,637	⁶ 184	21	25	1,694	⁷ 8,256
February.....	1,655,658	103,000	15,658	5	153,718	-----	43,176	1,648,179	0	869	-----	1,749	7,475
March.....	1,638,578	-18,000	16,578	-----	15,138	135	44,760	1,618,692	0	14,326	-----	1,915	19,887
April.....	1,646,757	18,000	6,757	138	52,806	-----	43,104	1,628,394	0	15	-----	1,676	18,226
May.....	1,733,220	81,000	12,220	138	142,501	-----	56,952	1,713,943	990	1,240	-----	1,317	19,139
June.....	1,724,862	-11,000	14,862	-----	12,254	20,049	53,082	1,693,164	28	13,305	176	949	31,699
July.....	1,727,044	13,000	4,044	20	58,840	-----	56,410	1,695,594	⁶ 414	11	-----	692	31,432
August.....	1,817,015	85,000	9,015	20	141,574	-----	51,741	1,785,427	0	1,062	-----	925	31,569
September.....	1,802,082	-18,000	12,082	-----	9,278	133	80,414	1,714,424	43,549	13,558	3	1,020	87,659

¹ Beginning July 1939, contains separate book account for railroad unemployment insurance account in which are held moneys deposited by the Railroad Retirement Board and from which the Secretary of the Treasury makes benefit payments as certified by the Railroad Retirement Board. Trust fund maintains separate accounts for each State agency, in which are held all moneys deposited from State unemployment funds and from which State agencies withdraw amounts as required for benefit payments.

² Minus figures represent certificates redeemed.

³ Interest on redeemed Treasury certificates received by fund at time of redemption but credited to separate book accounts only in last month of each quarter.

⁴ Includes transfers to railroad unemployment insurance account.

⁵ Includes amounts certified to the State of Connecticut. See footnote 6.

⁶ Certified by the Social Security Board to the Secretary of the Treasury, in behalf of the State of Connecticut for payment into railroad unemployment insurance account in accordance with sec. 13 of the Railroad Unemployment Insurance Act.

⁷ Less than \$500.

⁸ \$15 million was advanced by the Treasury to railroad unemployment insurance account in July 1939 pursuant to sec. 10 (d) of the Railroad Unemployment Insurance Act, and was repaid during January 1940.

Source: Daily Statement of the U. S. Treasury.

quarter totaled \$209.7 million, an increase of \$2.1 million over the preceding quarter. As in the old-age and survivors insurance trust fund, a quarterly pattern is apparent in deposits. The familiar low point in deposits in the third month of a quarter is evidenced by the September figure. State

withdrawals during the month, excluding the amount withdrawn for transfers to the railroad unemployment insurance account, amounted to \$36.9 million, \$14.9 million less than August withdrawals and \$1.6 million less than withdrawals in September 1939. Withdrawals for the quarter,

Table 6.—Federal insurance contributions and Federal unemployment taxes,¹ by internal revenue collection districts, for the first quarter of fiscal years 1939-40 and 1940-41, and cumulative through September 1940

[In thousands]

Internal revenue collection district in—	First quarter, fiscal year 1939-40			First quarter, fiscal year 1940-41			Cumulative through September 1940		
	Total	Insurance contributions ^{1,2}	Unemployment taxes ^{1,2}	Total	Insurance contributions ^{1,2}	Unemployment taxes ^{1,2}	Total	Insurance contributions ^{1,2}	Unemployment taxes ^{1,2}
Total	\$153,765.2	\$142,542.6	\$11,222.6	\$173,610.3	\$162,025.9	\$11,584.4	\$2,373,922.4	\$2,008,455.9	\$365,466.4
Alabama.....	1,078.7	996.3	82.4	1,308.2	1,212.2	96.1	16,817.1	14,512.9	2,304.2
Arizona.....	242.3	229.8	12.5	265.9	256.6	9.3	3,778.1	3,384.3	393.8
Arkansas.....	591.1	581.3	9.8	443.8	434.0	9.7	6,623.3	5,527.0	1,096.4
California (2 districts).....	9,592.2	9,115.2	477.0	10,447.1	10,032.5	414.6	140,848.1	124,128.4	16,719.6
Colorado.....	886.7	835.1	51.6	950.2	907.7	42.5	13,598.7	11,989.4	1,609.2
Connecticut.....	2,978.7	2,817.9	160.9	4,046.3	3,985.0	61.3	46,760.2	40,705.2	6,054.9
Delaware.....	965.4	864.4	101.0	1,170.3	1,061.9	108.4	13,854.8	11,826.1	2,328.6
Florida.....	1,073.2	999.9	73.3	1,215.6	1,178.7	36.9	17,227.8	14,255.7	2,972.1
Georgia.....	1,423.0	1,432.3	4-9.3	1,740.9	1,613.2	127.6	24,404.8	19,748.1	4,656.7
Hawaii.....	302.5	287.2	15.3	316.2	301.4	14.8	4,966.1	4,019.1	947.0
Idaho.....	254.1	251.4	2.7	294.3	292.3	2.0	4,045.3	3,635.6	409.6
Illinois (2 districts).....	14,536.6	13,289.2	1,247.4	16,138.3	14,905.9	1,232.4	233,093.7	186,842.8	46,250.9
Indiana.....	2,733.5	2,623.3	110.3	3,118.9	3,011.4	107.5	41,363.7	36,440.3	4,923.4
Iowa.....	1,388.7	1,348.4	40.3	1,544.6	1,497.4	47.2	20,801.3	18,383.7	2,417.7
Kansas.....	740.4	690.5	80.0	775.8	716.7	59.1	12,067.5	9,342.7	2,724.8
Kentucky.....	1,149.9	1,042.4	107.5	1,308.5	1,233.8	74.7	18,297.2	15,243.5	3,053.7
Louisiana.....	1,105.9	1,073.5	32.4	1,289.0	1,241.5	47.5	17,181.1	15,079.8	2,101.3
Maine.....	581.1	563.0	18.1	657.0	631.5	25.5	9,334.7	8,276.9	1,057.8
Maryland (including District of Columbia).....	2,848.0	2,624.9	223.1	3,183.9	3,007.6	176.3	42,479.7	35,894.8	6,584.9
Massachusetts.....	6,881.0	6,631.2	249.8	7,499.9	7,172.8	327.1	105,126.4	91,440.3	13,686.1
Michigan.....	9,017.4	8,392.5	625.0	10,993.6	10,253.4	740.2	139,444.8	122,028.6	17,416.2
Minnesota.....	2,361.8	2,180.4	181.5	2,543.1	2,402.5	140.5	35,760.0	30,073.5	5,686.6
Mississippi.....	355.4	349.6	5.8	409.0	401.7	7.3	5,480.6	4,919.2	561.4
Missouri (2 districts).....	4,209.6	3,847.0	362.6	4,458.6	4,182.4	276.2	67,197.0	53,168.9	14,028.1
Montana.....	293.5	273.8	19.7	322.0	313.0	8.9	4,500.1	3,769.5	730.6
Nebraska.....	786.7	694.4	92.3	824.3	761.4	62.9	12,219.4	9,490.1	2,729.3
Nevada.....	120.5	95.2	25.3	132.9	117.9	15.0	2,203.9	1,756.7	447.2
New Hampshire.....	441.2	417.8	23.4	465.5	442.7	22.7	6,404.4	5,707.0	697.4
New Jersey (2 districts).....	5,657.8	5,297.8	359.9	6,458.9	6,073.5	385.5	83,700.5	73,112.7	10,587.8
New Mexico.....	156.7	153.7	3.0	170.7	164.2	6.5	2,327.8	2,115.3	212.5
New York (6 districts).....	35,651.2	31,358.0	4,293.3	38,974.8	34,626.4	4,348.4	541,847.6	437,986.0	103,861.6
North Carolina.....	1,853.8	1,749.8	104.0	2,031.7	1,938.9	92.8	27,585.8	24,197.1	3,388.7
North Dakota.....	135.0	132.7	2.3	145.1	142.2	2.9	2,112.8	1,818.9	293.9
Ohio (4 districts).....	10,048.3	9,418.7	629.6	11,735.0	11,028.3	706.7	155,768.9	135,716.7	20,052.2
Oklahoma.....	1,407.3	1,319.4	87.9	1,508.0	1,417.4	90.6	21,495.3	18,872.6	2,622.7
Oregon.....	990.3	955.3	35.0	1,137.9	1,100.2	37.7	14,942.7	13,190.0	1,752.6
Pennsylvania (3 districts).....	13,941.0	13,076.6	864.4	16,604.7	15,649.9	954.8	223,238.3	195,115.5	28,122.8
Rhode Island.....	1,009.1	963.9	45.2	1,124.6	1,086.8	37.8	15,819.8	14,234.3	1,585.6
South Carolina.....	710.2	660.4	49.8	816.7	789.5	27.1	11,035.6	9,809.0	1,226.6
South Dakota.....	154.2	145.0	9.2	166.4	164.5	2.0	2,234.7	2,067.7	167.0
Tennessee.....	1,343.7	1,295.0	48.7	1,519.7	1,478.4	41.3	21,116.9	18,293.3	2,823.6
Texas (2 districts).....	3,671.7	3,822.0	4-150.2	3,819.5	3,718.8	100.7	54,726.4	48,096.4	6,629.9
Utah.....	338.0	332.8	5.2	367.1	351.2	15.9	5,365.4	4,764.4	601.0
Vermont.....	249.4	246.5	2.9	294.3	292.6	1.7	3,877.3	3,436.1	441.1
Virginia.....	1,533.9	1,432.5	101.4	1,787.8	1,687.0	100.8	23,169.7	19,880.8	3,288.9
Washington (including Alaska).....	1,820.6	1,725.3	95.2	2,143.1	2,035.9	107.2	29,002.2	23,772.9	5,229.2
West Virginia.....	1,165.2	1,106.1	59.1	1,372.9	1,312.8	60.2	19,541.1	17,300.7	2,240.4
Wisconsin.....	3,058.5	2,910.4	148.1	3,425.6	3,262.6	163.1	46,970.3	41,571.9	5,398.4
Wyoming.....	129.4	122.8	6.5	141.7	135.6	6.1	2,154.6	1,813.4	341.2

¹ Titles VIII and IX (except sec. 904) of the Social Security Act were repealed and reenacted as ch. 9, subch. A and C, respectively, of the Internal Revenue Code, approved Feb. 10, 1939. Amendments to the Social Security Act, approved Aug. 10, 1939, permit citation of subch. A and C as "Federal Insurance Contributions Act" and "Federal Unemployment Tax Act," respectively. Data are based on warrants covered by the Bookkeeping and Warrants Division of the Treasury Department and therefore differ slightly from the tax receipts in table 1, which are based on the Daily Statement of the U. S. Treasury. The amounts listed in this table represent collections made in internal revenue collection districts in the respective States and covered into the U. S. Treasury. The amount received by a particular district does not necessarily represent taxes paid with respect to employment within the State in which that district is located.

² Taxes effective Jan. 1, 1937, based on wages for employment as defined

in ch. 9, subch. A, sec. 1426, of the Internal Revenue Code, payable by both employer and employee.

³ Taxes effective Jan. 1, 1936, based on wages for employment as defined in ch. 9, subch. C, sec. 1607 of the Internal Revenue Code, payable by employers only. The amounts here recorded represent taxes paid after deduction of credits for amounts paid into State unemployment funds. During part of period prior to fiscal year 1938-39, employers were not able to claim credit in States in which the unemployment compensation law had not yet been certified by the Social Security Board.

⁴ Minus figures represent transfer resulting from insurance contributions incorrectly reported as unemployment taxes.

Source: U. S. Treasury Department, Office of the Commissioner of Accounts and Deposits.

which exceeded those in the first quarter of the fiscal year 1939-40 by \$25.1 million, declined \$7.5 million from the amount for the preceding quarter.

Liquidity of the Social Security Trust Funds

The differences in the demands made upon the old-age and survivors insurance trust fund and the unemployment trust fund have given rise to questions on the appropriate criteria of liquidity for these funds.

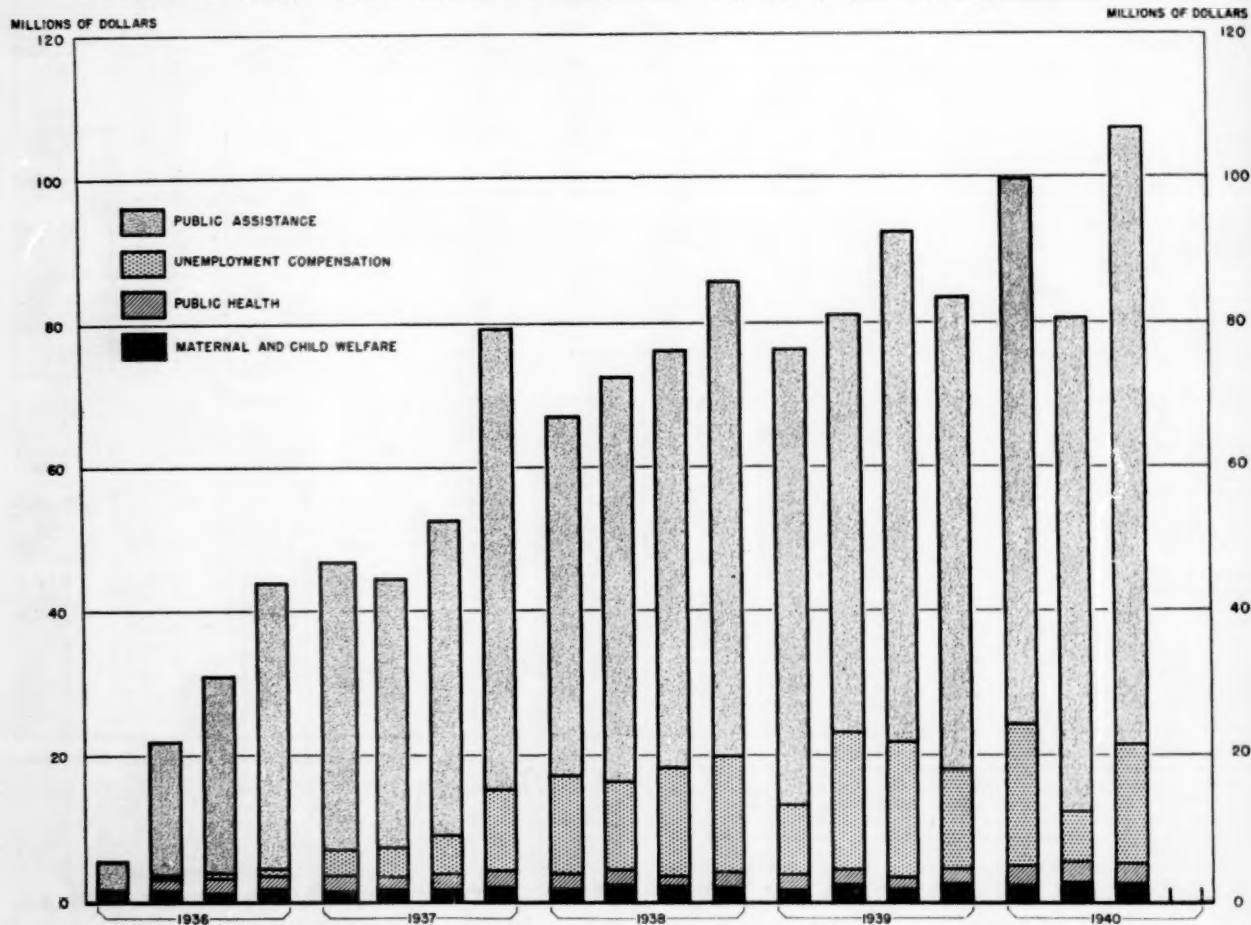
The investments of both funds are restricted to interest-bearing obligations of the United States or obligations guaranteed as to both principal and interest by the United States. It is further provided that special obligations may be issued by the Government exclusively to the funds; these may be redeemed at any time. It is obvious, therefore, that the special obligations now held as investments of the funds meet the requirements

of liquidity for contingency reserves. Even if other direct or guaranteed obligations of the Federal Government were held, the investments would always be liquid because of the ready market for these securities.

The maturities of the investments of the old-age and survivors insurance trust fund are, however, longer than those on the investments of the unemployment trust fund. Inasmuch as the securities are acquired for investment purposes, sales will probably be made only when necessary to meet benefit payments. If investments of the funds were Government obligations which could be converted into cash only by sale at the market price, the maturity date might influence the liquidity of the funds insofar as the market price might be unfavorable at the time cash was required.

The maturities of special obligations held by

Chart III.—Federal grants to States under the Social Security Act, by quarters, 1936–September 1940¹



¹ Excludes grants for vocational rehabilitation.
Source: Daily Statement of the U. S. Treasury.

the old-age and survivors insurance trust fund are staggered, as well as being longer than those of the unemployment trust fund. This condition reflects the requirement of the 1935 act for a

fixed interest rate on the investments of the old-age reserve account. Under both the original and amended provisions of the act cash is transferred to the disbursing officer to meet benefit

Table 7.—Federal grants to States under the Social Security Act: Checks issued by the Treasury Department in the first quarter of fiscal years 1939-40 and 1940-41¹

[In thousands]

State	First quarter, fiscal year 1939-40, total grants	First quarter, fiscal year 1940-41								
		Total grants	Federal Security Agency					Department of Labor		
			Social Security Board				Public Health Service	Children's Bureau		
			Old-age assistance	Aid to dependent children	Aid to the blind	Unemployment compensation administration ¹		Public-health work	Maternal and child-health services	Services for crippled children	Child-welfare services
Total, all participating States	\$94,550.1	\$131,221.7	\$77,192.8	\$17,396.9	\$2,121.3	\$29,306.3	\$2,580.5	\$1,357.2	\$873.1	\$393.7
Alabama	649.6	1,007.5	362.5	160.5	10.3	269.2	88.5	52.7	19.8	14.0
Alaska	90.5	126.5	66.6	(³)	(³)	29.3	10.3	15.1	1.8	3.5
Arizona	536.9	848.4	462.4	169.2	20.8	137.0	18.5	29.6	5.6	5.3
Arkansas	505.8	788.2	284.5	151.0	15.7	214.9	67.1	23.8	18.8	12.4
California	10,938.5	15,355.6	11,310.4	1,211.9	589.4	2,130.9	56.5	30.0	26.4	0
Colorado	1,943.0	2,445.9	1,974.4	265.8	28.2	121.4	27.8	8.0	14.5	5.9
Connecticut	1,270.4	1,663.8	931.3	(³)	9.3	656.3	31.0	16.7	14.1	5.2
Delaware	189.9	216.6	47.7	38.2	(³)	107.6	9.0	8.9	1.6	3.5
District of Columbia	508.7	457.1	168.3	63.9	11.6	160.2	17.5	28.7	7.0	0
Florida	1,400.5	1,405.9	845.5	137.8	64.6	273.8	35.0	26.2	18.0	4.9
Georgia	787.0	1,351.9	510.9	180.0	30.1	448.7	82.0	50.0	38.6	11.5
Hawaii	198.2	199.2	34.3	56.8	2.4	65.2	18.8	11.2	6.0	4.5
Idaho	420.2	718.7	407.1	190.2	12.1	64.4	21.8	14.5	7.0	1.4
Illinois	7,281.4	8,423.3	6,128.4	(³)	(³)	2,074.2	137.4	23.7	46.3	13.3
Indiana	3,351.5	4,296.6	2,390.5	911.3	103.9	774.8	64.2	21.3	24.4	6.1
Iowa	2,083.1	2,828.7	2,340.3	(³)	72.3	298.6	62.2	25.6	22.0	7.7
Kansas	1,148.3	1,725.2	1,066.7	331.0	58.6	204.4	25.0	18.1	14.9	6.4
Kentucky	1,091.5	1,272.0	732.8	(³)	(³)	390.0	81.0	33.1	26.0	9.2
Louisiana	1,317.6	1,470.3	549.0	458.0	27.8	330.3	49.9	33.1	12.9	9.3
Maine	596.8	865.6	443.4	86.2	40.8	234.5	22.9	19.6	8.4	9.9
Maryland	1,281.1	1,686.8	660.4	502.5	31.0	402.1	38.2	27.8	10.7	5.1
Massachusetts	3,925.2	7,675.4	4,914.2	961.7	54.7	1,619.7	73.6	20.5	23.6	7.4
Michigan	4,954.0	5,449.7	2,597.5	1,134.9	41.9	1,553.5	44.0	42.7	24.6	10.7
Minnesota	3,039.7	3,796.3	2,590.9	702.0	57.7	342.1	52.8	25.0	18.8	7.0
Mississippi	504.4	634.2	314.4	(³)	12.1	190.8	58.7	32.5	13.0	12.7
Missouri	2,886.3	3,441.2	2,209.8	409.7	(³)	749.3	0	43.6	18.5	10.2
Montana	612.1	794.4	475.3	137.2	9.2	126.4	19.2	16.0	6.4	4.7
Nebraska	996.7	1,181.6	705.7	234.0	20.8	177.1	19.4	9.5	8.5	6.5
Nevada	204.6	204.3	95.1	(³)	(³)	81.1	9.7	14.3	1.5	2.6
New Hampshire	366.4	449.7	208.4	37.1	11.7	160.2	16.2	7.4	4.6	4.1
New Jersey	2,678.1	3,468.7	1,242.2	623.1	41.6	1,444.7	69.5	15.3	19.4	12.9
New Mexico	256.5	425.8	149.1	103.3	8.5	99.0	22.2	31.7	8.1	4.0
New York	7,749.0	12,443.4	5,823.0	2,086.9	156.6	4,095.3	190.1	54.4	25.3	11.9
North Carolina	1,420.3	1,827.2	767.5	303.4	46.7	533.1	94.8	39.3	30.0	12.5
North Dakota	344.0	628.8	287.7	163.0	10.5	113.5	21.2	12.4	15.5	5.0
Ohio	4,791.2	7,930.3	6,106.9	655.9	174.3	824.1	105.0	37.9	15.3	11.0
Oklahoma	2,740.0	4,401.4	3,242.1	681.8	75.4	310.2	36.6	24.0	21.0	10.2
Oregon	1,087.0	1,053.6	689.4	103.3	17.7	204.1	.1	22.7	13.7	2.5
Pennsylvania	5,641.7	8,615.8	3,585.0	1,830.8	0	2,894.1	194.0	48.2	39.9	23.9
Puerto Rico		144.6					77.2	42.4	19.3	5.7
Rhode Island	356.1	656.9	203.0	65.5	2.0	351.8	21.6	7.4	2.5	3.0
South Carolina	907.9	790.4	242.0	95.5	14.0	260.0	74.4	64.1	30.7	9.5
South Dakota	414.3	686.9	547.8	(³)	8.5	85.9	19.3	13.3	8.0	4.0
Tennessee	1,100.6	1,655.3	640.5	398.5	27.3	425.0	94.0	36.2	25.0	9.0
Texas	3,396.4	4,162.4	2,715.5	(³)	(³)	1,163.1	147.7	61.7	50.0	24.4
Utah	756.1	971.5	578.4	197.6	10.3	132.5	19.0	17.4	13.6	2.7
Vermont	234.9	321.7	137.8	29.4	4.4	109.5	14.5	15.1	8.6	2.3
Virginia	779.3	1,019.2	287.9	132.7	25.0	436.3	85.0	25.7	18.4	8.3
Washington	1,849.0	2,105.3	1,343.3	238.3	47.4	436.1	5.0	15.6	14.8	4.8
West Virginia	702.6	1,448.4	455.2	520.8	26.5	384.7	25.0	13.5	15.0	7.8
Wisconsin	2,036.2	3,352.6	2,142.6	585.8	79.8	504.6	0	19.5	11.1	9.2
Wyoming	237.8	330.9	168.2	50.4	7.4	81.1	6.1	10.1	3.3	4.3

¹ Excludes Federal funds for vocational rehabilitation under Social Security Act, because they are not separated from other Federal funds for similar purposes.

² Includes grants certified by the Social Security Board to States for employment service administration to meet requirements of unemployment compensation program but excludes grants under the Wagner-Peyser Act.

³ No plan approved by the Social Security Board.

Source: Compiled from data furnished by the U. S. Treasury Department, Office of the Commissioner of Accounts and Deposits.

payments, since cash held by him constitutes the funds out of which benefits are paid and provides an essential type of liquidity. Variations in taxable pay rolls and in the amount of claims payable will lead to fluctuations in the amount of the reserves and, therefore, part of the reserves may have to be liquidated at a time which cannot be predicted accurately in advance.

Since investments of both funds are redeemable at any time, the ratio of cash to investments is, in many respects, a less significant measure of their liquidity than the maturity dates of their investments. In the case of the unemployment trust fund, this ratio indicates the residual status of the cash holdings of the fund. In any one day, both deposits and withdrawals may be made. The procedure has been to use the cash currently available—either the uninvested remainder from the previous day or the day's receipts—to cover the current requisition for withdrawals. If the

available cash is insufficient for the purpose, investments are redeemed to the amount required. On the other hand, if deposits greatly exceed withdrawals, new investments may be made. Since investments are usually made in round sums—multiples of \$1 million—there is likely to be a residual unexpended balance at any specified date. This day-to-day investment procedure indicates that the investments are equivalent to liquid assets and also that the Treasury, by keeping the fund fully invested, is obtaining the greatest interest return for the various accounts in the fund.

The procedure for the old-age and survivors insurance trust fund differs only slightly from that for the unemployment trust fund. This fund, too, is fully invested at all times, except for the credit to the fund account and deposits with the disbursing officer, which have been made on an irregular basis.

RECENT PUBLICATIONS IN THE FIELD OF SOCIAL SECURITY

SOCIAL SECURITY BOARD

Changes in the status of Board publications on sale at the U. S. Government Printing Office which were listed in the June 1940 issue of the Bulletin.

An Outline of Foreign Social Insurance and Assistance Laws. Compiled by Marianne Sakmann, Elizabeth L. Otey, Franz Huber, and Rae L. Needleman. Bureau Report No. 5. Bureau of Research and Statistics, 1940. 62 pp. 15 cents.

Tabular summaries of the principal provisions of foreign contributory insurance systems covering the risks of old age, death, sickness, invalidity, and unemployment, and of noncontributory systems furnishing aid to the aged, the incapacitated, and the blind on the basis of need.

Trends in Public Assistance, 1933-39. Prepared by Division of Public Assistance Research. Bureau Report No. 8. Bureau of Research and Statistics, 1940. 98 pp. 20 cents.

A comprehensive record of the operations of State and Territorial programs for old-age assistance, aid to dependent children, aid to the blind, and general relief, for the years 1936 through 1939, supplemented by data on payments and recipients by counties or other local subdivisions for a single month, December 1939. Summarizes and gives revised figures for the statistical series on payments and recipients under Federal work programs and Federal, State, and local assistance programs in the continental United States for the 7-year period 1933-39. With the exception of the county data, material presented here will be reprinted in the forthcoming *Social Security Yearbook*, in conjunction with data for other social security programs.

Third Annual Report of the Social Security Board. 1938. 249 pp. Out of print.

GENERAL

BARTELT, EDWARD F. *Accounting Procedures of the United States Government.* Chicago: Public Administration Service, 1940. 155 pp.

The papers in this volume are directed to the "many public-spirited executives, accountants, and students of government who would be glad to help the Government solve its problems of accounting and business management if they knew something about the issues involved." Of particular interest to public welfare officials is the chapter devoted to Administrative Accounting for Emergency Relief Expenditures.

CAMPBELL, J. A. "Mortality Tables in Life Insurance Management." *Canadian Journal of Economics and Political Science*, Toronto, Vol. 6, No. 3 (August 1940), pp. 424-439.

CURRY, LESLIE K. "Social Security as Applied to Banks." *National Auditgram*, Cleveland, Vol. 16, No. 4 (May 1940), pp. 15-19.

A discussion of Federal and State pay-roll taxes as they affect banks, with notes on experience rating.

DIMOCK, MARSHALL E. "Foreign Experience With Migration for Settlement." *Social Service Review*, Chicago, Vol. 14, No. 3 (September 1940), pp. 469-480.

A review, based on studies by the International Labor Office, of land-settlement and migration policies in Brazil, Argentina, Uruguay, and the Dominican Republic.

FRANCIS, BION H. *What Will Social Security Mean to You.* Cambridge: American Institute for Economic Research, 1940. 96 pp.

The purpose of this pamphlet, according to the preface by E. C. Harwood, director of the American Institute for Economic Research, is "to interpret and clarify an intricate law, . . . to point out how it will affect employer, employee, and the general public, . . . [and] to indicate those serious defects in the act which make important changes necessary if seriously adverse effects are to be avoided."

HAMBURGER, L. *How Nazi Germany Has Mobilized and Controlled Labor.* Washington: Brookings Institution, 1940. 63 pp. (Pamphlet No. 24.)

Concise reviews of the measures which increased governmental control over labor, and points out their historical and individual significance. Adoption of the workbook, recruiting of agricultural labor, introduction of compulsory vocational training and apprenticeship, bureaucratic controls of hiring and firing, and the growing mobilization of persons not customarily in gainful employment are among the topics treated. A list of the principal acts and decrees is included.

HOPKINS, WILLIAM S. *Social Insurance and Agriculture: A Memorandum Presenting Suggestions for Research and a Bibliography.* Washington: Committee on Social Security, Social Science Research Council, September 1940. 93 pp. Processed. (Pamphlet Series, No. 5.)

A memorandum which "is concerned entirely with suggestions for research and not with the directions which possible lines of action might take." The main sections deal with factors contributing to agricultural insecurity, agriculture's capacity to support social insurance measures, and some probable effects on agriculture and other groups of the adoption of social security measures in this field. An extensive classified bibliography is included.

LANDIS, PAUL H. *Rural Life in Process.* New York, London: McGraw-Hill, 1940. 599 pp. (McGraw-Hill Publications in Sociology.)

A textbook on rural sociology which includes chapters on farm tenancy, farm labor, welfare institutions, relief and social work, and the problem of rural health.

LEWIS, W. ARTHUR. *Economic Problems of Today*. London, New York: Longmans, Green, 1940. 179 pp.

This work is "essentially an introduction" for the general reader. The author first discusses, on the basis of British experience, the nature of four problems: the allocation of resources, property, international economics, and unemployment. Part II deals with solutions adopted in the U. S. S. R., Germany, France, and the United States.

NATIONAL FEDERATION OF BUSINESS AND PROFESSIONAL WOMEN'S CLUBS, INC. *Position of Married Women in the Economic World*. New York: The National Federation of Business and Professional Women's Clubs, Inc., July 1940. 79 pp. Processed.

OSTERGAARD, SOREN K. *Into Abundance*. Chicago, New York: Willett, Clark & Co., 1940. 154 pp.

A survey of current economic conditions in the United States in terms of expanded production and greater distribution of resources to all the people. The author evaluates current governmental programs—including the amended Social Security Act—by this standard.

ROBBINS, E. C. "War-time Labor Productivity." *Harvard Business Review*. New York, Vol. 19, No. 1 (Autumn 1940), pp. 99-105.

"Sen. Wagner's New Social Security Bill." *Social Security*, New York, Vol. 14, No. 7 (September-October 1940), pp. 5-6.

TODD COMPANY, INC. *Positive Disbursement Control Applied to Public Funds; A Description of the Procedure Employed by the Department of Audit and Control, State of New York*. Rochester: Todd Company, Inc., 1940. 90 pp.

By a State constitutional amendment of 1938, the Comptroller of New York was charged with the duty of approving "in advance all disbursements of State or State-controlled funds of whatever nature." This publication describes the problems involved and the organization and procedures adopted to put the law into effect. A section is devoted to social welfare, and there is a chapter on the unemployment benefit procedures by which 25,000 checks are written daily.

U. S. NATIONAL RESOURCES PLANNING BOARD. *Subject Index of Reports by the National Planning Board, National Resources Board, National Resources Committee*. Washington: U. S. Government Printing Office, 1940. 76 pp.

"War Needs Force Social Security Expansion in England." *Social Security*, New York, Vol. 14, No. 7 (September-October 1940), pp. 1 ff.

Summarizes recent British liberalization of old-age and survivors insurance and unemployment insurance.

EMPLOYMENT SECURITY

ALLEN, R. G. D. "The Unemployment Situation at the Outbreak of War." *Journal of the Royal Statistical Society*, London, Vol. 103, Pt. II (1940), pp. 191-207.

APPLEMAN, ADOLPH. "Notes on the Fiscal Aspects of the Cliffe Plan of Experience Rating and Its Relation to the Unemployment Compensation Program." *Personnel*, New York, Vol. 17, No. 1 (August 1940), pp. 67-77.

A description and analysis of the plan for experience rating developed by F. B. Cliffe of the General Electric Company and now in effect in six States. Includes explanatory tables and charts, an exposition of the mathematical theory behind the plan, and a tabular comparison of present State laws and proposed laws which employ the Cliffe plan.

BROWN, GERALD H. "Unemployment Insurance Adopted by Canada." *The American Labor Legislation Review*, New York, Vol. 30, No. 3 (September 1940), p. 101.

Brief summary and history of the new act.

CANADA. BUREAU OF STATISTICS. *Annual Review of Employment in Canada, 1939*. Ottawa, 1940. 65 pp. Processed. Prepared by General Statistics Branch.

CLARK, HARRISON. "The Development and Organization of Public Labor Exchanges in Sweden." *Social Service Review*, Chicago, Vol. 14, No. 3 (September 1940), pp. 453-468.

The history, administration, and functioning of the "vast network of public placement services" built up by the Swedish Government over the past 33 years.

DESSAUER-MEINHARDT, MARIE. "Monthly Unemployment Records 1854-1892." *Economica*, Cambridge, Eng., Vol. 7 (New Series), No. 27 (August 1940), pp. 322-326.

A note on early British unemployment series, with statistical tables of unemployment.

MYERS, CHARLES A. "Stable Employment and Flexible Wages." *Personnel*, New York, Vol. 17, No. 1 (August 1940), pp. 51-66.

A detailed description and evaluation of the employment stabilization plan of the Nunn-Bush Shoe Company of Milwaukee.

WATT, ROBERT J. "Training for Defense Jobs." *American Federationist*, Washington, Vol. 47, No. 4 (October 1940), pp. 10-11.

The attitude of the American Federation of Labor toward various job-training programs and the effect of such programs on the labor market and employment conditions.

WEINTRAUB, DAVID, and MAGDOFF, HARRY. "The Service Industries in Relation to Employment Trends." *Econometrica*, Chicago, Vol. 8, No. 4 (October 1940), pp. 289-311.

"The purpose of this paper is to examine the economic basis of the growth of the services by classifying and analyzing the diverse activities included in the so-called service industries according to the differences that may exist in the bases for their demand."

WITTE, EDWIN E. "Whither Unemployment Compensation?" *Social Service Review*, Chicago, Vol. 14, No. 3 (September 1940), pp. 421-437.

The Executive Director of the President's Committee on Economic Security, 1934-35, discusses important factors bearing on the future development of the unemployment compensation program, with particular reference to problems involved in the accumulation of large reserves in State unemployment funds, proposals for adoption of Federal benefit standards, and employer experience rating.

WOOD, HELEN. *Young Workers and Their Jobs in 1936; A Survey in Six States*. Washington: U. S. Government Printing Office, 1940. 95 pp. (U. S. Children's Bureau, Publication No. 249.)

The results of a survey undertaken in 1936 to fill the "need for information on the kinds of work open to young persons, the conditions of their work, and the relation of their employment to unemployment among adults." Includes material on the personal and social characteristics of 2,019 employed minors in 6 States, and has a detailed statistical appendix.

OLD-AGE AND SURVIVORS INSURANCE

CORSON, JOHN J. "Some Questions and Answers About Old-Age and Survivors Insurance." *Personnel*, New York, Vol. 17, No. 1 (August 1940), pp. 42-51.

Answers to questions asked at the spring conference of the Insurance Division of the American Management Association.

"Financing the Railroad Retirement System." *Monthly Review of the Railroad Retirement Board*, Washington, Vol. 1, No. 4 (August 1940), pp. 9-12. Processed.

The results of an actuarial valuation as of Dec. 31, 1938, of the assets and liabilities of the Railroad Retirement Board, with recommendations made last August to the President on the basis of the valuation.

ROBBINS, RAINARD B. *College Plans for Retirement Income*. New York: Columbia University Press, 1940. 180 pp.

ROMAINE, SIGOURNEY B. "Explanation of New York State Bankers Retirement System." *The Commercial and Financial Chronicle*, Vol. 151, No. 3929, Sec. 3, Oct. 12, 1940, pp. 52-53.

SPEICHER, PAUL. "Life Production in the 'Social Security' Era." *Eastern Underwriter*, New York, Vol. 41, No. 40, Pt. 2 (Oct. 4, 1940), pp. 54 ff. ("Gold Book of Life Insurance Selling: Life Insurance Salesmanship Edition, 1940.")

The social security program as an aid to the life insurance agent.

WITTE, EDWIN E. "The Approaching Crisis in Old Age Security." *The American Labor Legislation Review*, New York, Vol. 30, No. 3, September 1940. pp. 115-123.

A discussion of recent developments likely to affect the future of old-age security. Comments on the "evils of the 1939 amendments" with respect to coverage, financing, taxation, and inequities. Reviews the political aspects of social security, including congressional activity in this field, political pledges, and the "continued strength of the

universal pension movement." Concludes that "drastic changes in the present legislation are very likely in 1941 or 1942, at the latest."

PUBLIC WELFARE AND RELIEF

ABBOTT, EDITH. "Unemployment Relief a Federal Responsibility." *Social Service Review*, Chicago, Vol. 14, No. 3 (September 1940), pp. 438-452.

Advocates a "new reorganized Federal agency" to provide for all the unemployed by making available "either work or other means of support until work can be given or until some new plan can be made for the unemployed man and his family . . ."

ABRAMSON, EVA. *The Supervisor's Job in the Public Agency: Administrative Aspects*. Chicago: American Public Welfare Association, September 1940. 59 pp. Processed.

An exposition of "the detailed aspects of agency operation," grouped under the following main topics: The General Problem of the Case Work Supervisor; Time Schedules and Organization of Time; Administrative Tools and Techniques; and Administration, Training, Supervision, and Evaluation. Includes specimen forms and explanations of them, based on the author's work as director of the Bureau of Procedures and Systems, New York State Department of Social Welfare.

APTEKAR, HERBERT H. "Principles of Relief Giving in a Family Agency." *The Family*, Albany, Vol. 21, No. 6 (October 1940), pp. 194-201.

"Are Our Settlement and Removal Laws Unconstitutional?" *Social Service Review*, Chicago, Vol. 14, No. 3 (September 1940), pp. 556-560. ("Notes and Comment.")

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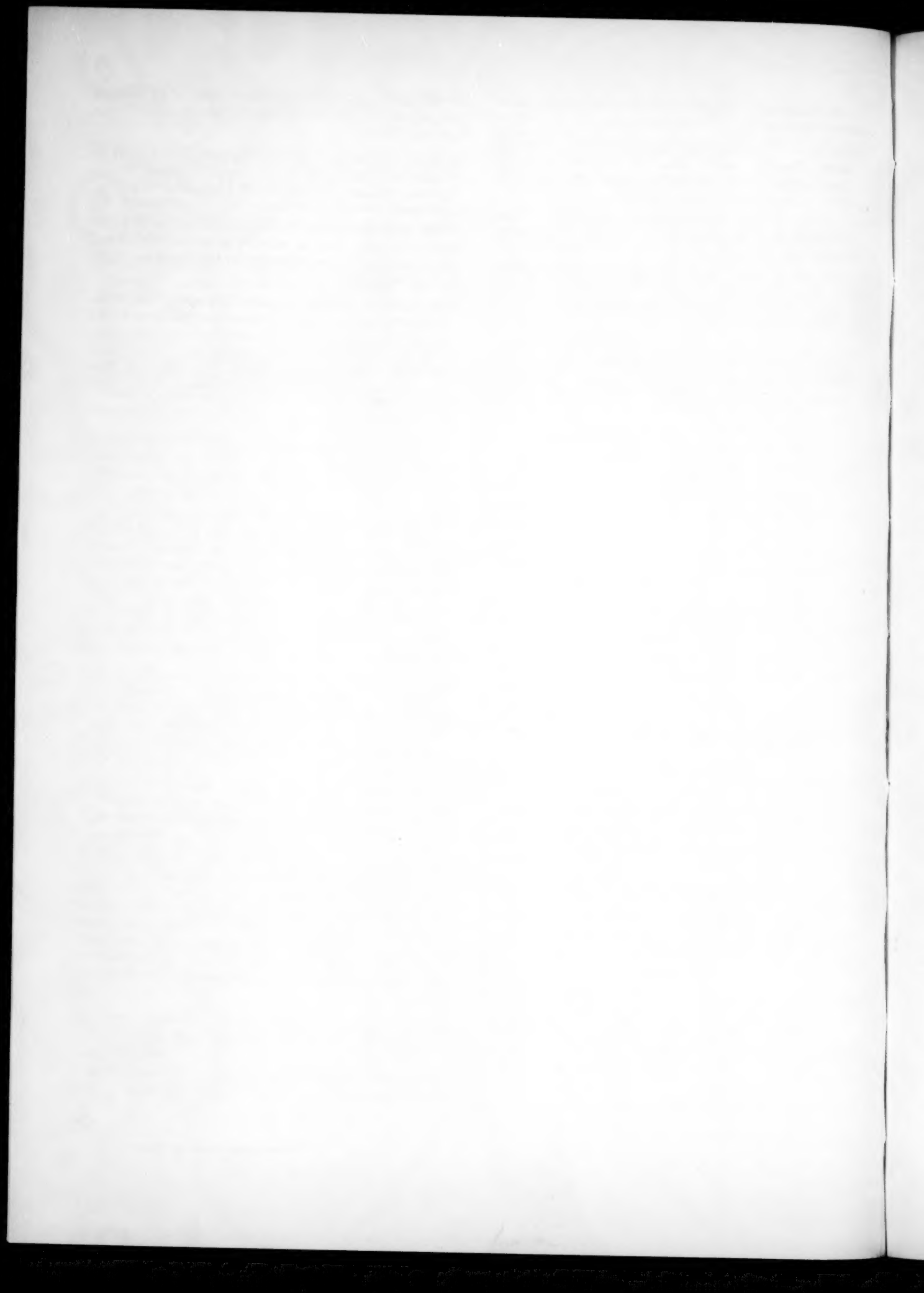
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The Social Security Yearbook for 1939, the first issue of an annual supplement to the Social Security Bulletin, is now available. The Yearbook summarizes, on a calendar-year basis, socio-economic data arising from or relevant to the social security program. This first issue (271 pages) also includes an outline of significant events in the development of the program since its inception and bibliographic notes on Board publications.

A limited number of copies of the Yearbook will be distributed without charge for the official use of agencies collaborating in administration of the social security program; only requests for such copies should be addressed to the Social Security Board. The Yearbook, which is not included in the annual subscription to the Bulletin, is also on sale at 50 cents a copy. All purchase orders, accompanied by remittance, should be addressed to the Superintendent of Documents, Government Printing Office, Washington, D. C.